DEPARTMENTS OF TRANSPORTATION, TREASURY AND GENERAL GOVERNMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2004

THURSDAY, MAY 8, 2003

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:14 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Richard C. Shelby (chairman) presiding.

Present: Senators Shelby, Campbell, Brownback, Stevens, and Murray.

DEPARTMENT OF TRANSPORTATION

STATEMENT OF NORMAN Y. MINETA, SECRETARY

ACCOMPANIED BY DONNA McLEAN, ASSISTANT SECRETARY OF TRANSPORTATION FOR BUDGET

OPENING STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. The committee will come to order. Welcome, Mr. Secretary. We are pleased that you are doing better, and as I told you, we will be walking briskly down the hall together. We are pleased to see you here today. I know it has been a difficult year for you and I hope that the remainder of 2003 is better.

I look forward to our discussion this morning on the Department of Transportation's 2004 budget request. I hope we will also have an opportunity to uncover how the budget request relates to your authorization proposals and your other goals for the Department.

I first want to commend you, Mr. Secretary, for proposing a budget that does not impose any new user fees. With our economy struggling to recover, I believe that now would be the worst time to increase the burden on transportation users. Our goal should be to do more with less and to relieve unnecessary impediments to efficiency in the transportation system.

In addition, I look forward to obtaining greater detail about the proposal to establish a new $1 billion infrastructure performance and maintenance program for highway projects that can be constructed quickly, and how those funds would be allocated to enhance transportation systems and relieve congestion.

The budget request for the Federal Transit Administration proposes the most significant changes from previous fiscal years. I am

skeptical that consolidation of programs and distribution by formula of transit dollars will improve the delivery of transit services or capital improvements. Formula fights can be distracting and the Federal role in transit should be more than simply revenue sharing.

Instead, I believe that we should structure transit funding to improve rural connectivity, eliminate the bias toward rail capital projects, focus Federal investment on key projects that might not otherwise get built but have a significant impact, and put in place oversight procedures for early identification of the risk associated with project execution.

While funding for the highway program is not what I had hoped for, and is less than what we provided in the omnibus, it is better than what the RABA-like mechanism would have provided, and considerably better than some of the rumors that were circulating last December. Nevertheless, I believe that the highway obligation limitation needs to be increased and I look forward to working with you to further that goal.

Other than that, I view this budget basically as a status quo budget. I know that the Department has focused almost exclusively on TSA last year and on transitioning Coast Guard and the TSA to the Department of Homeland Security. But I did expect a bit more in this budget proposal on where you wanted to take the remainder of the Department.

I am as concerned about what is missing from the budget request as I am with what it includes. Highway fatalities are headed in the wrong direction, increasing for the fourth consecutive year. And just as troubling, alcohol-related accidents and fatalities increased again for a third time in as many years.

Yet, there is no new initiative to increase seatbelt use, reduce drunken driving, or to do anything differently at NHTSA other than consolidating several existing State grant programs or shifting funds for grant programs from FHWA to NHTSA.

I think that we can do better. Two years ago, Senator Murray and I provided funding for Click It or Ticket campaigns. After struggling with NHTSA to get them to use the money, the program had a positive impact on the national seatbelt usage rate. This shows why we need to make greater use of targeted, data-driven programs.

If they work, you will have my support to grow the initiative. If they do not, we will try something else, even if that means upsetting some of NHTSA's partners. The only thing that is not acceptable I believe is not trying new things to reduce the carnage on our highways.

With regard to passenger rail, I must say that I am disappointed there once again. The Department has failed to provide the leadership, I believe, that is necessary to transform Amtrak. While the Congress waits for a legislative proposal that embodies the principles of reform that you articulated last June, your representative on the Amtrak board of directors has supported a budget that is an all-out effort to preserve the current failed system.

Amtrak's budget assumes a Federal subsidy that is twice as much as what was included in the President's budget, but does not contemplate even minor changes to the current structure. Amtrak's

hostility to reform was further demonstrated when Amtrak's CEO abandoned his commitment to fully recover the cost of State-supported lines as soon as private rail companies offered to provide the service for the States at a much lower cost.

In a similar vein, I have impressed upon both your predecessors and the FAA administrator that something needs to be done to contain the cost growth of the FAA. Over the past 9 years, the FAA operations budget has grown 65 percent, including a proposed 8.1 percent growth in the budget request for 2004. By comparison, aircraft operations, the primary driver for FAA operations activities, have declined 10 percent since 2000. In a budget constrained environment it is unsustainable to have unchecked costs at the FAA.

This is a perennial item on the Inspector General's top ten management challenge list, yet nothing ever seems to get done. Like Amtrak, ignoring the issue of cost growth of the FAA's operation budget will not make it go away and is a disservice, I believe, to the American taxpayer.

Finally, Mr. Secretary, I want to raise what I believe is an emerging challenge for the Department and the FAA: the economic trade and regulatory implications of a consolidated European Union Member States open skies or open aviation area concept.

Whether an open aviation area multilateral agreement is a good idea or not, I believe that the die is cast and that the European Union will be working in a much more coordinated manner with regard to International Civil Aviation Organization regulatory and safety issues. That presents enormous challenges and potential risks for the United States given the opportunity for mischief that can intentionally or unintentionally creep into standards consideration and creation.

This is an important and a very complicated area and I encourage you to put some of your best people on it and to provide a clear and comprehensive statement of where you believe the United States should head in this regard in order to maintain our preeminence in aviation.

Mr. Secretary, we have an obligation to do better than just delivering the status quo and I look forward to working with you toward that end. It is good to see you again.

Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you, Mr. Chairman. First let me join with you in saying how pleased I am to see Secretary Mineta back before this subcommittee. We all know that Secretary Mineta has worked far harder than he should have during his recuperation from surgery. I suspect that his leadership of the Department during this period was far more involved than his doctors would have liked. I want to publicly thank you for all the extra effort during these last few months.

I know they have been difficult ones but our Nation and our entire transportation enterprise is better off because of your selfless commitment, Mr. Secretary, and we thank you.

Just a few minutes ago, I had the opportunity to introduce Ms. Annette Sandberg to the Senate Commerce, Science, and Transportation Committee. She is Secretary Mineta's Acting Administrator

at the Federal Motor Carrier Safety Administration. I think the President made an excellent choice in asking that she be appointed as the permanent Administrator of that agency. Ms. Sandberg was the first woman to serve as the head of a State police force, having served as chief of the Washington State force for 6 years. I was really honored to introduce her to the Commerce Committee today and I have great faith in her ability to advance the cause of truck safety at that agency.

With the passage of the Homeland Security Act, the reorganization of the Department, and the reorganization this committee, both Secretary Mineta and this subcommittee have an opportunity to refocus and redouble our efforts on the core missions of the Department of Transportation. For the last 2 years we have been focused on the urgent security needs in all of the transportation modes. With that responsibility now vested in another department and another Appropriations Subcommittee, we can focus on alleviating congestion on our runways and our highways, and minimizing the number of transportation-related fatalities.

This morning I would like to focus on four areas of the President's budget proposal: highway safety, aviation, highway construction, and Amtrak. Mr. Chairman, as you mentioned in your statement, we have experienced the fourth consecutive year of increased fatalities on our highways and that unacceptable record must be reversed. As I look at the President's budget request for 2004 for the Department of Transportation, I see a mixed bag. There are increased resources to address highway safety, and this subcommittee will need to pursue whether the requested levels are sufficient to really change behavior, especially involving drinking and driving.

In the area of aviation, increased resources are requested for the FAA's operations budget. However, given the financial problems facing our airlines, the FAA has some major new challenges. The FAA is charged with inspecting and certifying the safety procedures for all of our airlines. At the same time, the airlines are increasingly contracting out maintenance to entities that have minimum Federal oversight. Indeed, the FAA has its own standard requiring increased scrutiny of the safety practices of airlines that are operating in bankruptcy? It is not yet clear that the FAA even has enough inspectors on its payroll to fulfill its own standard. It is also not clear that the President's 2004 budget provides the kind of resources that will enable the FAA to meet its standard if airlines are still operating in bankruptcy in 2004.

In the area of highways, the President is calling for a cut of $2.3 billion or 7.3 percent. This request is far preferable to the $8.6 billion cut that the Administration requested last year, but it is still moving, I believe, very much in the wrong direction. As a Senator whose home State includes Seattle, a city with the third worst traffic congestion in the Nation, I can tell you that a further retreat in the Federal investment in our Nation's highway infrastructure is not the right way to go.

Finally, let me turn to Amtrak. The Administration has requested $900 million. That is a reduction of 22 percent below the de facto 2003 appropriations. Last year, the President requested only $521 million. Further, this Administration never articulated

precisely how the railroad could avoid bankruptcy at that level of funding. So this year's request, at least in dollar terms, is an improvement.

With the $900 million request, the Administration may be on its way to earning a seat at the table when it comes to a meaningful discussion with Congress as to Amtrak's future. But for the Administration to be a meaningful partner with us in that discussion, the Administration needs to submit a comprehensive reauthorization proposal for Amtrak. That proposal was due to Congress over a year ago. We still have not seen it yet, though the Deputy Secretary recently testified to the authorizing committees about some of the concepts that we can expect to see in the document. But we will not be able to decide if $900 million is enough until we have seen the Administration's actual proposal.

One thing I do know about this legislation is it is not Secretary Mineta's fault we have not seen it yet. I can only hope that in his last 30 days on the job that OMB Director Daniels will take it upon himself to see to it that this piece of business is taken care of before he leaves the Government.

So in conclusion, I want to thank Secretary Mineta for being with us here this morning. I want to thank him as well for the invitation to introduce his soon-to-be-confirmed Federal Motor Carrier Safety Administrator. I look forward to having a dialogue with him this morning about our shared goals of alleviating congestion and saving lives.

Thank you, Mr. Chairman.

Senator SHELBY. Senator Campbell.

STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thank you, Mr. Chairman. Welcome to my friend and former colleague from the House side days, Secretary Mineta. Our State of Colorado is the third fastest growing State, Mr. Chairman, behind Nevada and Arizona. Certainly we face the same problems all fast-growing States do. We have transportation problems that are huge. We have one great big construction job on I–25 between Denver and Colorado Springs that we call T-Rex for an appropriate reason; because the thing is a monster if you try to drive through there with the ground tore up and the old bridges coming down, new ones going up, and so on.

I have to associate myself with the comments of Senator Murray and say that the President's budget I think is inadequate. I worry that a lot of these contracts that have been let are going to just leave the States hanging with their projects half done and without enough money to finish them.

But I do want to thank you for your past support, Mr. Secretary, for that particular project in Colorado because it is a very unique project. It uses what is called a design-built process which combines light rail, highway, bike, pedestrian, and other transit options all into one. I think that when it is finally done it is going to really become a model for the country. So I want to thank you for that, and also for the help you have given us with the sixth runway at DIA that is under construction, as you know, and will be done shortly.

One concern I do have that really carries over from last year, Mr. Chairman, is the hours of service that the Federal Motor Carriers Safety Administration has implemented. I went to the hearings before we delayed that for a year last year. I had my staff go to two of them; I just went to one. I was convinced then that the Administration had already made a decision and they were just doing perfunctory things of listening to people complain. But they are implementing that, and requiring the truckers to stay off the road two more hours, which sounds good on the surface.

But I have a CDL, as you probably know, Mr. Chairman. Still have a couple of Class A trucks and go to those a lot, and I think that there are some real downsides to it. The truckers themselves, as you know in any kind of cold climate, they do not shut those things off. That means they sit in truck stops or on off-ramps and on-ramps, which are becoming more crowded all the time, or in rest stops, highway rest stops that are run by the States usually. They have to keep them on to stay warm. I do not know how we say that we are going to save fuel by not putting it to productive use and just keeping them running while they are sitting there.

Secondly to that, most of the truckers that I know, they get bored silly, so they just spend most of their time and most of their money running the video games and doing the things that now you can do at these big RV truck stop combinations.

We talk about safety. It is my understanding that if you do implement these hours and you have the same amount of shipping of merchandise, that means you are going to have more trucks on the road to offset the ones that are just sitting idle for those extra hours. For the life of me, I cannot understand how that is an increased safety feature when you say there are going to be more 18-wheelers on the roads instead of less.

I am going to ask the Secretary, if I can stay long enough, to give me his opinion about the present state of that when we get into questions and answers. But it is certainly one of my big concerns.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF SENATOR SAM BROWNBACK

Senator SHELBY. Senator Brownback has submitted a written statement he would like to have included for the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR SAM BROWNBACK

Mr. Chairman, I would like to thank you for holding this hearing today and inviting The Honorable Secretary Mineta to testify before us. There are two issues of particular importance to the State of Kansas that I hope the Secretary will address today. First, is that of the aviation industry and the need to bolster aviation and aeronautics research and development. In particular, I would like to highlight a bill I recently introduced with Senator Hollings, S.788, the Second Century of Flight Act. Second, I would like to address the issues of short line railroads and the needs there for track rehabilitation and preservation.

Just last week in the Committee on Commerce, Science, and Transportation we marked-up the Federal Aviation Administration (FAA) Reauthorization bill. S.788, The Second Century of Flight Act addresses many of the concerns currently facing the aviation sector. And I was extremely pleased that my Colleagues on the Commerce Committee agreed to include three out of the four titles of that bill in the FAA Reauthorization.

This bill would create a national office to coordinate aviation and aerospace research activities within the U.S. Government and encouraging public-private co-

operation. Additionally, this bill creates a national office to focus on a next generation air traffic management system and establishes a new educational program to train the next generation of aeronautics engineers and mechanics.

I am sure it is a goal of all of ours to ensure that the United States continues to lead the world in aeronautics and aviation safety, technology, and efficiency.

Additionally, an issue that should be of importance to all of us in the room is the future of "short line" local freight railroads. These short lines account for roughly half the rail miles in Kansas. These lines gather tens of thousands of carloads of grain and start them on their way across the country and for export abroad. However, government disincentives forced the prior owners of these light density lines to neglect investment in the infrastructure, and now the weight of loaded railroad cars are growing ever heavier. This has forced many of these light density lines to abandon operations.

Last year, the Senate addressed these issues through Senate Bill 1220. That bill would have established a capital grant program for rehabilitation and improvement of tracks and related structures on small railroads to being the infrastructure up to a level permitting safe and efficient operation. Unfortunately, that bill never saw action on the Senate floor during the 107th Session of Congress. The Members in this room should make a commitment to this issue, realizing the important and impact short line operations have on highway miles.

Again, Secretary Mineta, thank you for being here today. I look forward to hearing your responses to some of the questions I have for you.

Senator SHELBY. Mr. Secretary, your written statement will be made part of the record in its entirety. You may proceed as you wish.

STATEMENT OF NORMAN Y. MINETA

Secretary MINETA. Mr. Chairman, thank you very much, to the members of the subcommittee as well, for this opportunity to appear before you today. Before I begin, let me offer my congratulations to you, Mr. Chairman, for taking the helm of this very important subcommittee.

Senator SHELBY. We swap it back and forth. But let's do not do it soon.

Secretary MINETA. Again, I appreciate this opportunity to be before you, and all the members of the subcommittee, who have extended to me a very warm welcome. I have enjoyed the opportunity to work with all of you in terms of advancing the cause of transportation in our great country. I want to thank you, Senator Murray, for taking the time to introduce Annette Sandberg at the Commerce hearing on her nomination. As the acting administrator of the Federal Motor Carrier Safety Administration she has already been subjected to a great deal of work in the short time she has been there.

Mr. Chairman, I would also like to introduce our Assistant Secretary of Transportation for Budget, Donna McLean, who, with your permission will be sitting at my side to assist me with any details on questions that come up.

I am pleased to share with you the Department of Transportation's 2004 budget. President Bush is requesting $54.3 billion for the Department, including more than $14 billion, or 27 percent, that is being targeted to support my number one priority, safety. As you have indicated, highway traffic deaths are starting to go up. For the last 15 months, my senior management team has spent a great deal of time focused on the security threats that face transportation. But this year I have challenged my team to bring that same passion, that same innovation and what I hope will be the same outstanding success on a simple but important goal: improv-

ing safety and saving lives while continuing to improve America's transportation system.

REAUTHORIZATION OF SURFACE AND AVIATION PROGRAMS

As you all are very well aware, the current laws authorizing vital surface and air transportation programs expire in the next few months. Accordingly, our 2004 budget includes the foundation for proposed legislation addressing our Nation's future transportation needs. President Bush recently presented to the Congress his aviation reauthorization legislation, the Centennial of Flight Aviation Authorization Act, or Flight-100. Consistent with this proposal, the President's 2004 budget requests $14 billion for the FAA. We are currently finalizing our proposed surface transportation reauthorization legislation and anticipate its delivery to you shortly.

Although a few details are still under discussion within the Administration let me simply say this, the Administration's forthcoming reauthorization proposal will serve as the largest surface transportation investment in our Nation's history. I firmly believe that the Administration's proposal, when enacted by the Congress, will dramatically further our efforts to grow the Nation's economy without imposing any new gasoline taxes.

Now as a former member of Congress who spent considerable time on the other side of this microphone, I know it is important to determine what the total amount of funding will be. But as all of you know, what we spend is only part of the challenge in legislation we will work together on. How we spend it is just as critical. That is why our proposal will be more than simply a spending plan. It is a true blueprint for investment.

Our proposal will include a dedicated commitment to saving lives by consolidating and expanding Federal safety programs, increasing funding flexibility for State and local authorities, encouraging innovative financing tools, accelerating environmental reviews by building on President Bush's executive order on environmental stewardship, and finally, simplifying transit programs to foster a seamless transportation network.

Now the President's 2004 budget supports these principles by requesting $30.2 billion for highway programs, $1.2 billion for motor carrier and highway safety, and $7.2 billion for transit.

AMTRAK

In addition to our proposals to support our highways and airways, President Bush is requesting $900 million for Amtrak. But this funding comes with a very strong message. Amtrak must undergo significant reform. Last week our Deputy Secretary of Transportation, Michael Jackson, and our Federal Railroad Administrator, Alan Rutter, testified before your colleagues in the Senate and in the House on the Administration's vision for a strong national intercity passenger rail system. I believe that America deserves a national rail system that is driven by sound economics, fosters competition, and establishes a long-term partnership between States and the Federal Government.

Mr. Chairman, this vision cannot be achieved without a fundamental reform of Amtrak. Simply put, America can no longer afford the status quo. I am personally committed to working closely with

all of you, the Congress, the States, industry, and labor leaders to develop a financially healthy system that provides a viable national passenger rail service to America.

PREPARED STATEMENT

Let me close by again thanking you for the opportunity to testify today. I have worked with all of you over the years on these issues and I look forward to tackling them again with you. I pledge that we will work closely with this subcommittee, Mr. Chairman, and with the entire Congress as we consider the 2004 budget. Now I look forward to responding to any questions that you might have.

[The statement follows:]

PREPARED STATEMENT OF NORMAN Y. MINETA

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Administration's fiscal year 2004 budget request for the Department of Transportation. President Bush is requesting $54.3 billion for the Department including over $14 billion, or 27 percent, targeted to support our number one priority—safety. But before I outline the specifics of our 2004 budget, let me briefly speak to our making safety a priority while we improve our Nation's transportation system.

For the Department of Transportation, 2003 will be a year of special focus on highway and aviation safety. For the last 15 months, we at the Department of Transportation have spent a great deal of our time making transportation secure and responding to the threats of terrorism. This was absolutely necessary. We've made great progress.

In the aftermath of September 11th, the Department of Transportation had a laser-like focus on security. Two months ago, we successfully handed off to the new Department of Homeland Security the United States Coast Guard and the Transportation Security Administration—two of their largest and high profile agencies.

The Department of Transportation is proud to have provided strong leadership and steady support to the United States Coast Guard for more than 35 years. I am particularly proud of our work standing up the Transportation Security Administration from its creation through its first full year of operation. Indeed, this was a monumental task—one in which we performed under the intense glare of the public spotlight. It was a task that many of the so-called "experts" said was undeliverable.

On November 19, 2001, the day that the TSA was created, there were only 33 Federal Air Marshals nationwide. At that time, there was a poorly qualified, poorly equipped screener service at the airports, with substandard supervision. In less than one year and under wartime conditions, we recruited, trained, and deployed thousands of Air Marshals. We recruited over 300 highly qualified Federal Security Directors to oversee more than 429 airports in the country.

Through an unprecedented partnership with the private sector, we processed over a million applications, and hired, trained, and deployed more than 50,000 passenger and baggage screeners who provide world-class security and world-class customer service.

All of this was done while meeting 37 mandates—36 of which were set by you the Congress in the Aviation and Transportation Security Act. The 37th was my own. I told my colleagues to be sure and meet the other 36. I am proud to say that the stellar employees of the Department of Transportation performed spectacularly—designing and delivering, on time and in working order, the Transportation Security Administration. When you look at the airline security system on September 12, 2001 and our system today, I am tremendously proud of the Department of Transportation and I am grateful to the Congress and this Committee for the cooperation we received.

We at the Department of Transportation look forward to continuing to work closely with our colleagues in the U.S. Coast Guard, the TSA, and throughout the Department of Homeland Security to ensure that America's transportation system remains safe, secure and efficient.

Now for this year, and going forward, I have challenged my senior management team to focus the same passion and the same innovation spent on security over the last year on a simple but profoundly important goal: improving safety and saving lives. Once again, I would like you in Congress to be our partners and achieve the same historic record of performance.

As I stated at the outset, more than one quarter of President Bush's 2004 budget is dedicated to ensuring the highest levels of safety across America's transportation infrastructure. The Administration's reauthorization proposals for both surface and air transportation programs will provide evidence of our continued commitment to safety. As you all know, those vital programs will expire in September. In anticipation of this, our 2004 budget request includes the foundation for proposed new legislation to address our Nation's transportation needs over the next four to six years.

We recently presented to the Congress President Bush's aviation reauthorization legislation—The Centennial of Flight Aviation Authorization Act, or Flight-100. We look forward to working with the members of this Subcommittee and with the entire Congress on swift passage of both this key aviation legislation, and the upcoming surface transportation legislation.

Let me share with you several principles of our aviation and surface transportation reauthorization proposals.

—Our proposals will include an emphasis on consolidating and expanding Federal safety programs.
—For the surface transportation programs, we will include increased funding flexibility for State and local authorities.
—We will continue to encourage innovative financing tools.
—We will propose efficient environmental stewardship processes that facilitate transportation infrastructure projects without compromising the environment.
—Finally, we will continue a strong emphasis on public transportation by simplifying transit programs and fostering a seamless transportation network.

The $14 billion requested by President Bush for the Federal Aviation Administration in 2004 will further ensure the highest possible levels of safety throughout the aviation system.

Flight-100 improves safety oversight of operators, repair stations and others, while tightening enforcement of the FAA's stringent safety and maintenance regulations. Because at the same time travel demand for air service will inevitably return to, and exceed, pre-September 11th levels in the future, we cannot afford to reduce our commitment to investing in the Nation's air traffic control system and our airports. Equally important, we cannot take our eye off the safety goal: to reduce aviation fatality rates by 80 percent over the period 1996 to 2007.

To meet both safety and mobility needs, the budget proposes to spend a greater portion of the accumulated cash balances from the Airport and Airway Trust Fund. The President's budget request and our reauthorization proposal provide $2.9 billion in fiscal year 2004 for facilities and equipment. In 2007, that figure rises to $3.1 billion.

Our proposal also provides $7.5 billion for FAA operations and maintenance in 2004 to improve efficiency—an 8 percent increase over the 2003 enacted level—and supports implementation of the Operational Evolution Plan, the acceleration of airspace redesign, and future air traffic controller staffing needs.

Turning to our soon-to-be presented surface transportation proposal, let me begin with a fundamental principle: the President and his Administration are committed to maintaining guaranteed funding levels that link highway spending to Highway Trust Fund receipts.

Our proposed program spends at a level that keeps the Highway Trust Fund balance relatively constant. The proposed obligation limitation for 2004 is $29.3 billion. When comparing the Administration's 6-year surface transportation reauthorization proposal in total to the six years of TEA–21, the President proposes an overall increase of 19 percent. The fiscal year 2004 budget accomplishes this increase without proposing new user fees.

For the Federal Highway Administration, the fiscal year 2004 budget request proposes that all revenue from gasohol taxes be deposited directly in the Highway Trust Fund rather than the current approach that deposits gasohol taxes into the General Fund. If enacted, this one change will add more than $600 million of available funding to the Highway Trust Fund for each year of the authorization cycle.

In addition to spending estimated Highway Trust Fund receipts, our proposal also unveils a new $1 billion Infrastructure Performance and Maintenance initiative to fund preservation and congestion alleviation projects that can be implemented quickly. Totaling $6 billion over the authorization period, this funding will target projects that address traffic congestion and bottlenecks, and improve pavement conditions.

Every year, more than 42,000 people die on our Nation's roads and highways. This is unacceptable—we can and must do a better job to save lives.

Reducing highway fatalities is "priority one." That is why the President's budget request includes $665 million for the National Highway Traffic Safety Administration to reduce fatalities, prevent injuries, and encourage safe driving practices. Of

NHTSA's 2004 funding request, $447 million will support grants to States to enforce safety belt and child safety seat use and reduce impaired driving.

The Federal Motor Carrier Safety Administration, too, is focusing on ways to prevent fatalities and injuries resulting from accidents involving commercial motor vehicles. The 2004 budget request includes $447 million to address these critical safety issues. We will also continue to emphasize a comprehensive safety inspection program at the southern border so Americans can be assured that trucks entering the United States from Mexico meet our Federal safety regulations.

The Administration's 2004 budget request includes $7.2 billion to strengthen and maintain our public transportation systems and includes $1.5 billion to fund 26 "new starts" projects that will carry over 190 million riders annually when completed.

In addition to our proposals to support our highways and airways, President Bush is requesting $900 million for Amtrak. But this funding comes with a strong message: Amtrak must undergo significant reform.

Last week, my Deputy Secretary Michael Jackson and my Federal Railroad Administrator Allan Rutter testified before your colleagues in the Senate and the House on the Bush Administration's vision for a strong national intercity passenger rail system. I believe that America deserves a national rail system that is driven by sound economics, fosters competition, and establishes a long-term partnership between states and the Federal Government.

Mr. Chairman, this vision cannot be achieved without the fundamental reform of Amtrak. Simply put, America can no longer afford the status quo, and I am personally committed to working closely with the Congress, the states, and industry and labor leaders to develop a truly healthy and viable national passenger rail system.

Finally, I want to share with you President Bush's request for our maritime programs. I am pleased that this Committee has recently received the jurisdiction of all transportation modes including maritime. I believe maritime transportation issues, particularly our ports, are critical to the success of a truly intermodal transportation system. Waterways, canals and rivers were one of our Nation's first transportation systems. From the great explorers Lewis and Clark, to today's Ready Reserve Force supporting our troops in the Middle East, maritime shipping has moved generations of people and vital supplies.

The recent strike at our West Coast ports clearly indicated the importance of our ports to the national economy. This Congress can recognize that one of the true definitions of intermodalism and one of the great economic challenges of the next two decades will be our ability to move freight quickly and efficiently. To do so means recognizing that America is a maritime nation and that moving freight intermodally starts at the water's edge with our ports.

The Maritime Administration (MARAD) continues to support essential transportation and intermodal connections for domestic and international trade. President Bush requests $219 million to continue MARAD's efforts to expand and enhance capacity of our Nation's maritime infrastructure. One of MARAD's continuing challenges is the disposal of obsolete ships that potentially pose an environmental risk to our nation's waterways. The 2004 budget request includes $11.4 million for removal of the highest risk ships.

My prepared remarks focus on only a part of the whole picture. Yet each organization within the Department of Transportation contributes indispensably to accomplishing the goals I have outlined.

Let me finish my testimony by returning to the issue of safety. On 9/11 this Nation was stunned by the degree of destruction and loss we felt as a Nation by those horrific events. Each of us look back on that day and know exactly where we were when we heard the news. Yet each day thousands—thousands—of individuals experience their own moment of destruction and loss when the daily toll of death and injury occur on our Nation's roads and highways.

Frankly, we have been too complacent about finding new and innovative ways to collaborate and end this plague on America. I invite this Committee to join in finding new ways and new energy for better solutions. Last year we created a legacy of achievement. We can do it again.

Thank you again for the opportunity to testify today. My management team and I will work closely with you, and with the entire Congress, as you consider the 2004 budget and I look forward to responding to any questions you may have.

HIGHWAY REAUTHORIZATION

Senator SHELBY. Mr. Secretary, I have a number of questions and I think the other participants here do too.

We have heard for months that the Department's TEA–21 reauthorization proposal will be ready for release in 10 more days. Mr. Secretary, is the proposal ready to be transmitted to the Hill or will it be ready in 10 more days? I am interested, Mr. Secretary, not only because of its relevance to this year's budget request, but also the Banking Committee, which we have authorizing jurisdiction of transit and I as chair, am anxious to begin work on the reauthorization, to work with you on that.

Secretary MINETA. Mr. Chairman, the budget is at the printers and we anticipated that well within the 10 days we will have all of that material to you.

Senator SHELBY. Thank you. Mr. Secretary, virtually every highway safety expert that we have consulted has stated that increasing seatbelt usage is the most important way to reduce highway fatalities. That is why 2 years ago Senator Murray, who chaired the committee then, and I worked together to dedicate funds for a national seatbelt paid media mobilization and enforcement campaigns, what are commonly referred to as click-it-or-ticket campaigns. The positive effects of these mobilizations to increase seatbelt usage rates are undeniable. According to NHTSA's evaluation, seatbelt usage increased by 8.6 percent.

In the omnibus we again set aside funds and directed NHTSA to continue to fund click-it-or-ticket, and also expand this approach to target alcohol-related driving, which we are all concerned about. Mr. Secretary, with the demonstrated success of the program, why isn't funding specifically identified in your budget proposal to continue these campaigns in the year 2004? In other words, this is a program that Senator Murray and I and others have seen the benefit of.

Secretary MINETA. Mr. Chairman, you are absolutely correct. In fact on Monday I am going to be participating in a click-it-or-ticket kickoff campaign. In our budget, I believe we have something like $204 million for occupant safety programs. What we want to do is to be able to increase seatbelt use. We have 18 States that have primary laws on seatbelt use, so one of our efforts is to try to get more States to go from secondary to primary laws relating to seatbelt use. Florida last week was considering it, but unfortunately at the last minute they did not take the bill to the floor. Massachusetts, I believe did complete their passage of primary seatbelt law usage this last week. We have many of the State legislatures that are in session where we are working actively with them in order to get primary seatbelt use laws on the book.

Senator SHELBY. I know you have a long-term interest, you did in your legislative career in safety. You put seatbelt laws in use, bringing it up, pushed alcohol driving down. We are making progress, are we not, those two together?

Secretary MINETA. Also on DUI (driving under the influence), we are bringing an increased amount in the 2004 request where we will have $148 million to address impaired driving fatalities. This is to increase the number of highly visible sobriety checkpoints and other programs where we are working with the State highway patrols. In fact when Annette Sandberg was at the National Highway Traffic Safety Administration (NHTSA) she undertook a very active program because of her relationship with the International Associa-

tion of Chiefs of Police and her working knowledge of being able to work with State agencies. So we are continuing that program under the 2004 budget request that Annette started at NHTSA. We are actively pursuing both programs as they relate to seatbelt usage and the whole issue of occupant protection, including a heavy emphasis on impaired driving.

AVIATION

Senator SHELBY. A recent commission on the future of U.S. aerospace industry has raised serious questions about the competitiveness of U.S. firms in the global marketplace. It blamed this situation on, among other things, restrictive Government regulations, protectionist policies, and a failure to invest in technology innovation. I guess the question comes about, is America, Mr. Secretary, at risk of losing its position of preeminence in aviation?

Secretary MINETA. This is a subject that I know that we are pursuing within the Department of Transportation and within the Administration. That is, to what extent should the Government be working with industry in order to promote their specific goals in terms of trade practices? Just yesterday there was an article in the Wall Street Journal about Airbus moving away from Pratt & Whitney and looking at just European engines. That is the kind of thing that I think we ought to be looking at in terms of our own department.

Senator SHELBY. How can the Transportation Department headed by you, how can you help?

Secretary MINETA. I think we can help in terms of making sure that there are not any competitive impairments to our industries to be able to work closely with other manufacturers. In this instance, if there is a policy on the part of Airbus just to deal with, let us say Rolls Royce, or with their own other engine manufacturers in Europe, then I believe that kind of trade practice is something we ought to be earmarking as a subject of our interest.

INFRASTRUCTURE PERFORMANCE AND MAINTENANCE INITIATIVE

Senator SHELBY. Mr. Secretary, infrastructure performance and maintenance initiative. Do you envision this program as a new apportionment program for the States or as a new discretionary program administered by FHWA?

Secretary MINETA. The monies will go into the formula program. Since the $1 billion is to be used for projects that can be started very quickly, and if States do not use their apportioned amounts, then we will draw that back and then reshuffle that money back out to other States that are using the money very quickly. But it will be distributed under the formula that goes out to the States. To the extent that the States do not use the money, then we will pull it back and, as I say, redistribute that money back out to other States that are utilizing IPAM for quick projects.

Senator SHELBY. If this is a discretionary program, what criteria would you propose to evaluate project eligibility? Give us some examples.

Secretary MINETA. Those projects will be judged very similar to how we judge programs under the Surface Transportation Program.

FEDERAL AVIATION ADMINISTRATION REAUTHORIZATION

Senator SHELBY. The FAA reauthorization. What actions will FAA and the Department take to ensure the agency operates within the amount that you are suggesting in the next 4 years?

Secretary MINETA. As you know, the operations account is something that is a very tight budget issue and Administrator Blakey is working on that matter as we speak. We are trying to make sure that we can do this without any staff layoffs, and to make sure that the safety of the flying public remains paramount. The operations budget is very key to that. Because of the pressures on the operations budget we are looking at all alternatives to make sure that we can deliver safety to the American flying public.

AMTRAK

Senator SHELBY. Briefly, Amtrak appropriation. The 2003 appropriations bill placed a number of new requirements on Amtrak's ability to obtain their Federal subsidy. I am interested in your thoughts on how those requirements are working, the interplay between FRA and Amtrak, and what, if any, changes that you would propose to improve your oversight of the railroad for the 2004 bill.

Secretary MINETA. Mr. Chairman, the requirements that were placed in the omnibus bill in terms of requiring us to get a business plan from Amtrak, and to get definitive cost implementation schedules, all of that has now come to the Department of Transportation from Amtrak. We have found that this has been very helpful in terms of our formulating our 2004 budget as well as imposing on Amtrak these kinds of requirements so that we will have the detailed information we need in order to make decisions and choices to fulfill Amtrak's needs. The requirements that were laid out were adhered to by both Amtrak and DOT, and we have found those to be very, very helpful.

Senator SHELBY. Thank you. I will pick it up in another round. Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman.

Mr. Secretary, your FAA administrator is about to enter into new labor negotiations with most of her unions, and one thing that could certainly sour those negotiations is the current talk we have heard about the potential for furloughs of FAA employees in the current fiscal year. Those rumors of furloughs persist even if you were given more than 99 percent of what you requested for FAA Operations this year. Although you just said that you did not want to go that way, if you do not, what other belt-tightening measures are you going to implement in order to keep everyone on board?

Secretary MINETA. Because of their needs, the FAA Administrator is trying to make sure that she takes a look at all of the costs that are under operations. I believe that the whole issue of trying to avoid furloughs is paramount as she does her work on operations.

Senator MURRAY. Can you be more specific about what other things you are going to do in order to comply with the amount of money that you have if you do not do furloughs?

Secretary MINETA. For instance, the whole issue of what to do on her telecommunications budget within the operations part of FAA, is being looked at along with hiring freezes.

Senator MURRAY. Is there going to be a reduction in the available overtime for air traffic controllers this summer?

Secretary MINETA. With a sufficient number of air traffic controllers, we are hoping to reduce the number of overtime hours. We are making sure that we have the right number of air traffic controllers so that we can do it without the use of overtime hours.

Senator MURRAY. There is also another issue of retiring air traffic controllers and lack of backfilling for those vacancies. In fact we have already had controllers at one of our major air traffic control facilities complaining quite publicly actually about vacant positions that are not being filled and about the skies over Chicago not being safe to fly. Are you confident we are going to have the necessary funds to fill vacancies at that facility as well as sustain staffing at your other air traffic control facilities throughout this year?

Secretary MINETA. On Chicago specifically, I think there is a problem there, but it is an issue of the management there utilizing the air traffic controllers in the most efficient way possible. I believe, that with the reports that I saw earlier, that there are many of the air traffic controllers who just are not being utilized properly because of the management team there. But nevertheless, I think Chicago is adequately staffed. The overall picture is that in order to deal with this retirement bubble that is coming up, we are also going to have 302 air traffic controllers that are included in this budget. It takes us about 3 years to have a hired air traffic controller to be at a full performance level.

Senator MURRAY. I would just say that I think there is a real concern that we are not hiring those fast enough to meet that 3-year requirement. So we will be watching that carefully.

Secretary MINETA. We believe that the whole level of operations will not be coming back until about the year 2006, and because of the reduced number of operations right now, we feel what we are doing on hiring air traffic controllers anticipates that operations increase when it occurs in 2006.

AMTRAK

Senator MURRAY. Let me turn to Amtrak. I earlier pointed out that you are seeking a 22 percent cut in the total level of funding for Amtrak. Testimony by your Deputy Secretary indicates that the Administration views any amount over $900 million as excessive and unaffordable. You still have not submitted the Amtrak reauthorization bill that was due last year, but your Deputy Secretary has testified regarding, as I said, some of the concepts that are going to be in your legislation; concepts including dramatically increased cost-sharing by the States for receiving Amtrak service, and a requirement that Amtrak compete against other potential bidders to operate your intercity passenger trains.

A great deal of Deputy Secretary Jackson's testimony focused on the 17 so-called long distance trains that serve the vast majority of our country. Amtrak's annual Federal subsidy is over $1 billion a year and the company has almost $5 billion in total debt. If we eliminated those 17 long distance trains tomorrow, it would save

the company absolutely nothing this year. It would take 5 years before the elimination of those trains even saved $200 million. The annual subsidy for these trains, while high on a per-passenger basis is a pittance compared to the Federal subsidy that is granted to the trains operating the Northeast corridor.

Mr. Secretary, when you finally submit your reauthorization proposal for Amtrak, will we find that the Northeast corridor trains and the non-Northeast corridor trains will be subject to equal treatment?

Secretary MINETA. Absolutely. The reason that the Northeast corridor gets treated differently in certain respects is because the underlying tracks do belong to Amtrak there. Our intent is to eventually have two entities; one an operating entity, namely Amtrak, and the other dealing with the infrastructure of rail.

Senator MURRAY. Will there be identical cost-sharing requirements by the States?

Secretary MINETA. The State would be required to agree to a 50/50 match.

Senator MURRAY. The Northeast corridor and the non-Northeast corridor, will their cost-sharing requirements be identical?

Secretary MINETA. Let me ask. In the long-term it would be a 50/50 match. It would be the same cost-sharing.

[The information follows:]

Recently, the Department of Transportation completed its legislative drafting of a bill entitled the "Amtrak System Stabilization, Improvement, and Streamlining through Transition Act." The purpose of the bill is to undertake a restructuring of intercity passenger rail transportation in the United States that will allow it to compete successfully with other modes of transportation. We are now seeking final administration approval through OMB's legislative clearance process. The administration will work to expedite clearance as quickly as possible and hopes to transmit the text of the legislation to Congress shortly. Following the transmittal of the bill to Congress, we can address the question of implementation of the cost-sharing requirements of the Northeast corridor and the non-Northeast corridor.

Senator MURRAY. In the long run. Will they be implemented on the same schedule?

Secretary MINETA. I think what we would have to do on the Northeast corridor is to bring the tracks up to a level that would be satisfactory. Because of the lack of investment in infrastructure, the roadbed for the Northeast corridor needs a great deal of work. We feel that before we turn it over to the Northeast corridor companies, or the States, that we would have to bring those railbeds up to a certain standard.

Senator MURRAY. Mr. Secretary, Amtrak is currently carrying $3.8 billion in long-term debt and another $1 billion in short-term debt. It is estimated that roughly 65 percent of that debt is attributable to improvements that have been made to that Northeast corridor. Your Amtrak reauthorization proposal is going to propose the development of a Federal-State compact to operate that Northeast corridor with the States taking on considerable additional requirements to operate and maintain that corridor. Will you be expecting this new compact between the Federal Government and the States in the Northeast corridor to take over the 65 percent of Amtrak's outstanding debt which is attributable to the improvements that have been made in the Northeast corridor?

Secretary MINETA. Frankly, we have not determined that issue yet on the assumption or transfer.

Senator MURRAY. I think it is a very important question, Mr. Secretary, and we would like to hear from you as soon as possible. If they are not going to take the debt, who is going to pay Amtrak's debts when you go into that compact? So I hope to hear from you.

[The information follows:]

Recently, the Department of Transportation has completed its legislative drafting of a bill entitled the "Amtrak System Stabilization, Improvement, and Streamlining through Transition Act." The purpose of the bill is to undertake a restructuring of intercity passenger rail transportation in the United States that will allow it to compete successfully with other modes of transportation. We are now seeking final administration approval through OMB's legislative clearance process. The administration will work to expedite clearance as quickly as possible and hopes to transmit the text of the legislation to Congress shortly. Following the transmittal of the bill to Congress, we can address the question of who is going to pay Amtrak's debts on the Northeast corridor.

SOUND TRANSIT

Senator MURRAY. I just have a few seconds left. I do have one other question I want to ask you about, Mr. Secretary, because Seattle is now the third most congested city in the Nation. Two years ago, you recommended that the proposed Seattle light rail project take a timeout for the purpose of getting its house in order, and getting the cost and scope of the project under control. I joined with you in that decision and with the help of your FTA Administrator and Inspector General, a lot of progress has been made. I have worked very carefully with Sound Transit in Seattle to ensure that they have reformulated their light rail project so that you and your staff are fully satisfied that their cost estimates and their construction plan are achievable. This project certainly reached a major milestone when your administration included $75 million in your budget for 2004 and announced your plan to revise the existing Full Funding Grant Agreement.

Can you tell me this morning, based on what you know about the improvements that have been made in the planning and financing of this project, do you currently have any reservations surrounding your request for $75 million in 2004?

Secretary MINETA. Not at all. We are very confident about the revised plan and we appreciate your work in working with the Sound Transit System. I personally have a great deal of confidence in the Executive Director of the system there. I think she has gone a long way in helping both the system as well as the working relationships between FTA, your office, and the Sound Transit System, and has been able to come up with a great plan.

Senator MURRAY. I agree. Can you tell me when you expect a revised Full Funding Grant Agreement to come to Capitol Hill on that project?

Secretary MINETA. That is something I will have to submit to you. I am not sure that we have a set schedule yet.

[The information follows:]

On January 19, 2001, the Department of Transportation approved the Full Funding Grant Agreement (FFGA) for the Central Puget Sound Regional Transit Authority. At the time the project was approved, major changes in the project's tunnel alignment were being discussed. The Department has withheld funding for the project until a number of financial and timing issues are resolved and Congress had

time to adequately review the grant agreement. On July 7, 2003, the Department's Office of Inspector General (IG) issued a report on its audit of the project. The Federal Transit Administration (FTA) has concurred with the IG's recommendation, stating that it will request that the Sound Transit Board of Directors formally agree to actions specified in the IG's recommendations. FTA will closely monitor Sound Transit's continuing financial responsibility to operate, maintain and reinvest in its existing transit system as well as the Initial Segment, as is the practice under all FFGAs. Further, FTA will not execute the FFGA prior to written notification from the Sound Transit Board of Directors of their agreement to take the actions specified by the IG.

Senator MURRAY. All right. Thank you very much, Mr. Secretary, and thank you, Mr. Chairman.

Senator SHELBY. Senator Campbell.

HOURS OF SERVICE

Senator CAMPBELL. Thank you, Mr. Chairman. I would like to ask the Secretary one general question about hours of service and something specific to Colorado before my time is up.

Mr. Secretary, very frankly, I have to tell you, I think the people that wrote the revision of hours of service neither know the significance of the trucking industry in America or the precarious position they are in; either one. I understand that over 1,000 companies, trucking companies went out of business last year, went into bankruptcy. I know that repossession of trucks are at an all-time high. Even with that, there are a shortage of drivers even for the remaining trucks. It is something like 95 percent of everything that moves in America, every portable thing that you can think of travels on a truck. So I think it is a very significant industry and I am really concerned about this change of hours of service.

I would like you to, if you could, tell me, tell the committee where the rulemaking has changed and where we are on it.

Secretary MINETA. Senator Campbell, as you know, this rule was released about 3 weeks ago, I believe. The effective date of the Hours of Service rule will be January 4, 2004. I think, from what I can gather, since we had issued the original notice of proposed rulemaking we got something like 53,000 comments during the comment period. The Federal Motor Carrier Safety Administration went through all of those comments.

Senator CAMPBELL. How many of the 53,000 would you say were supportive or opposed to changing?

Secretary MINETA. As I recall, we had a substantial percentage of the 53,000 that were supportive of the rule. This is the first time since I believe 1939, that we have revised the hours of service rules in a significant way. This rule is supported by the American Trucking Association. I think the major opposition comes from the independent drivers.

Senator CAMPBELL. The ATA represents the large fleets. I think it is called OOIDA or something, represents the little guys, the ones I am really concerned about losing their homes.

It is also my understanding though that these hours of service are almost impossible to monitor with the Mexican trucks that will be coming north now under the NAFTA agreement. They have a log book, but they do not have to keep up with them in Mexico.

Secretary MINETA. They will be subjected to the same requirements once they are able to come in to the United States. We in-

tend to enforce the law on hours of service against the Mexican drivers as we would U.S. drivers, or Canadian drivers.

Senator CAMPBELL. Thank you. I guess the proof will be in the pudding to see if it works or not. I am absolutely convinced though it is not going to work to the benefit of either drivers or small truck owners, or to the country at large that has to do a lot of shipping.

COLORADO BLOOD-ALCOHOL STANDARDS

Let me ask just a couple related to Colorado. Colorado is one of the few States that has a two-tier system relating to blood-alcohol content. We have a driving while ability impaired is a lesser charge where the blood alcohol content is less than .05 percent and .09 percent. During the authorization of TEA–21 Federal funds were tied to each State requiring them to lower the blood alcohol content to .1 percent if the States did not change their laws. If they did not then the States were going to be penalized and funds withheld. That is going to cost Colorado about $50 million a year.

If the Colorado law already requires a stricter requirement under blood alcohol content, why should the State be penalized, if it is more strict than the Federal requirement now?

Secretary MINETA. Senator, I will have to get together with you on that because I am not familiar with the requirement.

[The information follows:]

To qualify for an incentive grant under Section 163, and to avoid a sanction under Public Law 106–346-Appendix, sec. 351, 114 Stat. 1356A–34, 35 (Section 351), a State must enact and enforce a law that provides that any person with a blood alcohol concentration of 0.08 percent or greater while operating a motor vehicle in the State shall be deemed to have committed the per se offense of driving while intoxicated or an equivalent per se offense.

The State of Colorado does not currently have a driving while under the influence (DUI) per se law that is stricter than the requirements of 23 U.S.C. Section 163 or that meets the requirements of Section 163. The State's standard DUI per se offense applies at .10 BAC (Colo. Rev. Stat. Sec. 42–4–1301(6)(a)). The .05 to .09 provisions relate to permissible inferences that are not a part of Colorado's DUI per se law. Rather, the inferences allow the evidence of a person's blood alcohol concentration to be deemed relevant and possibly admitted in a prosecution for DUI or driving while ability impaired (DWAI). These inferences are merely permissible, not mandatory. Accordingly, these provisions cannot be utilized by the State of Colorado to demonstrate compliance with the requirements of Section 163.

ASR–11

Senator CAMPBELL. All right, I appreciate that. One other one you may have to look up. We have an airport that has been waiting for years and years to get a radar system called an ASR–11. I know Senator Murray also has been waiting, and Senator Stevens too. I understand that that radar system, there are some concerns about its viability and that has really halted the installation. Could you give me a status report on the certification of that ASR–11? You probably do not have that right there in your notes either, but if you could get back to me. The county that I have been working on for years trying to get one is called Eagle County, right in the middle of those mountains. Very predictably dangerous place to land when we have high peaks all around and bad snowstorms and so on. So I would appreciate it if you could——

Secretary MINETA. I will get back to you on that, sir.

[The information follows:]

ASR–11 is a joint FAA and Department of Defense procurement program intended to replace aging Airport Surveillance Radar Models 7 and 8, which are nearing the end of their service life and becoming more difficult to maintain. The ASR–11 system is an integrated system that includes a primary radar system and associated beacon system. The ASR–11 will provide digital radar input to new automation systems such as Standard Terminal Automation Replacement System (STARS).

Results of operational tests have proven the system suitable for operational use. The FAA proposes to formally certify the ASR–11 system for national use by August 2003.

The FAA has met with Eagle County Airport and Eagle County Commissioner representatives to discuss possible surveillance solutions to address Eagle County's air traffic surveillance needs. Work is continuing with local and regional personnel to define and evaluate potential improvements. A recommendation and business case is expected by November 2003.

Senator CAMPBELL. All right, thank you. I have no further questions, Mr. Chairman.

Senator SHELBY. Senator Brownback.

STATEMENT OF SENATOR SAM BROWNBACK

Senator BROWNBACK. Thank you, Mr. Chairman. I appreciate being able to join your subcommittee for the first time. It is a pleasure to be here. Mr. Secretary, glad to have you here as well.

Secretary MINETA. Thank you, sir.

AVIATION INDUSTRY

Senator BROWNBACK. I want to focus my comments on two areas. One is on the aviation industry itself. I understand the chairman made some comments about this as well. Wichita, in my State, the general aviation manufacturers in that State are headquartered in Kansas. Boeing has a huge plant in the State. This has been an industry that has been decimated in recent times. We had 30 percent layoffs, employment layoffs. That is bad enough. But it is an industry that is somewhat use to the cyclical nature. At least the general aviation manufacturers, not so much Boeing.

But when I met with the industry leaders in December something really troubling came up. I had all the leaders of the industry in a meeting and they were saying—they are used to in general aviation, the gamma groups are is the used to kind of an up and down nature of the industry.

But what they are seeing take place is that as they are strapped for cash, they are needing research money to develop the next wave of products, the next wings, the next engines, the next fuselage of the products. They are having countries come to them and saying, we will pay for the research and the development of the wing, a Japanese company but it is backed by the government. Saying, we will pay for the development of the wing of this new product, but you have to manufacture the wing then in Japan.

Or China is doing a similar sort of push where the government is paying for the research and then using that as a hook to leverage the jobs coming to that country, to where the industry may be fundamentally restructuring now, as we speak, because the companies are strapped for cash. They are strapped to make the next wave of products. They need the research money to get the next wave of products, and they are getting it from foreign governments that are being backed by companies there that are then saying, we

have to manufacture the wing or the engine or whatever the piece may be.

So we may end up being just an assembler of aviation products rather than the developer and lose all the jobs underneath the system. So at the end of the day, the product still comes out of Wichita, but it did not really come out of Wichita. It came out of China or Japan or India or Europe.

To me this is a very troubling trend. We have been a leading aviation researcher, manufacturer since flight began, since the Wright brothers. It seems to me that we are on the edge of losing that. Five years ago, if the numbers I have are correct, we put about $1 billion a year into aviation research as a government. This is a combined set of sources. NASA had a major piece of that. Now we are about $500 million a year, so we have cut that in half at the same time the rest of the world is investing.

Now you can say, okay, it is another manufacturing set of jobs; maybe we are going to end up losing those too. But these are the highest wage, highest skilled manufacturing jobs in the world. People bid heavily for them. What I think we are doing is we are in the process of losing them by virtue of not paying attention.

If we were losing them just as direct company on company competition, I can handle that. But not if it is a government-subsidized research basis on it, and then the company coming in privately. If that is the case, we either should back them down in trade negotiations or we should subsidize.

So I am coming to you with this issue. I put forward a bill with Senator Hollings and the Commerce Committee, Second Century of Flight. Calls for a coordinator on the overall aviation research. It calls for more investment in aviation research. It calls for incentives to draw the next wave of engineers into aviation research. It is Senate bill 788. It has cleared through Commerce Committee as the authorizing. All but one title of it has cleared through the Commerce Committee. I would ask that you would look at that and I would hope would aggressively get behind it or something like it, because we are really losing this business.

And I would appreciate it if you would be willing to consider bringing in these aviation business leaders in a roundtable. I think they would be more than willing to come, or gather at the conference, a conference call, and ask them the same questions about the restructuring of the industry, because this is happening right below the surface. The company stays in Wichita but the product and the jobs are actually coming in from other places. It should not be happening that way. I would hope you could back more in the way of aviation research or specifically this bill.

If you would care to comment, I would appreciate it.

AVIATION RELATED RESEARCH

Secretary MINETA. As I understand it, Titles I, II, and III of your bill were incorporated into the aviation reauthorization legislation that the Commerce Committee took up last week.

Senator BROWNBACK. That is right.

Secretary MINETA. We look forward to working with the committee on the structure as you have outlined it in S. 788.

This issue goes back to something earlier that the Chairman mentioned and Senator Murray has an interest in as well. That is, to what extent can we do Federal research, without being accused of subsidizing the aviation industry? This is something that we deal with the European Union on all the time. When we went through the Aviation Stabilization Act and we reimbursed airlines for losses in that period subsequent to September 11th, the Europeans were complaining that we were subsidizing our airlines in terms of their operations. All we were saying was, we were reimbursing them for their operational losses as a result of my grounding all the planes on the 11th of September, and for that subsequent period before the airlines got back into operation.

Whenever we get into research, we do research on wings and to the extent that Boeing uses that research to build a plane, or Gulfstream, or Beech, or anyone else, then we get accused of subsidizing the firms. The earlier question that the Chairman was asking is something that I want to get into because I think that, as you have indicated, we have somewhat lost our technology edge in terms of aviation.

I remember being on the Science Committee in the House and I remember saying to Dan Goldin, what happened to the "A" in NASA? It was National Aeronautic and Space Administration (NASA), but the aviation budget was going down, down, and down. I was fearful that it was going down so much that Langley, Wright-Patterson, and Ames Research Center at Moffett Field would also be cut back. I believe that the problem with NASA, is that their research budget still goes down because all of it is being sucked up by the space station. The FAA's research program is done mostly by NASA.

Senator BROWNBACK. If I could ask you, because the time is so short, if your agency could really start a study of what is taking place, because if other countries are doing this, then we should start a trade action against them. Particularly Boeing, we are down to now 50 percent or below of market share, and that is all by a subsidized Airbus that has come in and taken that market share. We should be taking trade actions against Airbus. I would hope your agency would push on that. Or if we are not going to do that, that we would equal the European subsidy and then make them sue us in the trade courts.

Secretary MINETA. You are absolutely correct, Senator Brownback. About 4 months ago, I had asked our Under Secretary for Policy to start taking a look at this whole issue. Then yesterday, there was a article in the Wall Street Journal about Airbus pulling back from Pratt & Whitney so they could look exclusively at European engines. That prompted me to tear that article out and send it to Jeff Shane to, again, make sure that we are pursuing this issue.

[The information follows:]

The Department of Transportation continues to closely monitor issues concerning possible subsidies and potential unfair trade actions. In all cases of possible unfair trade practices, the administration seeks compliance with international trade obligations and is prepared to employ appropriate bilateral and World Trade Organization mechanisms to achieve that outcome.

Senator BROWNBACK. I would urge it. I have got an issue I will submit to you for the record of short line railroads and the need for help on short lines, because on moving freight that are key for a State like mine. But I will submit that.

Mr. Chairman, thank you.

Senator SHELBY. Thank you, Senator.

NEW ENTRANT PROGRAM

Mr. Secretary, I have a few more questions. You have been very patient. The FMCSA budget proposes a total of $33 million for implementation of the new entrant program. Given that there are approximately 50,000 new entrants every year now, how many audits does the Department actually expect to conduct if this program is fully funded?

Secretary MINETA. Mr. Chairman, I am not sure.

Senator SHELBY. Do you want to get back with me on that?

Secretary MINETA. I will get back to you on that, sir.

[The information follows:]

FMCSA will conduct safety audits on all new entrants within the first 18 months of carrier operations consistent with current law and regulation. The agency anticipates that 31,800 audits will be conducted in fiscal year 2004. This will be accomplished using both Federal and State safety inspectors: State inspectors will conduct an estimated 19,800 audits and Federal personnel an estimated 12,000 audits. The balance of audits will be completed within the first 6 months of the following fiscal year, consequently meeting the 18-month legislative requirement to conduct audits on the full estimated annual population of 50,000 carriers. This program will continue on a cyclical basis as approximately 40,000–50,000 new entrants are expected to apply for interstate operating authority annually.

Senator SHELBY. I just want to add this to it. If we cannot expect to conduct an audit of every new entrant, what consideration has been given to phasing in the program or setting up some sort of criteria for prioritizing these new entrants that will be audited? You can do that for the record.

Secretary MINETA. We will include that as well.

[The information follows:]

FMCSA will conduct safety audits on all new entrants. With the funds requested in fiscal year 2004, FMCSA will ramp-up the New Entrant program by hiring 67 contracted auditors and 32 oversight personnel; make facilities improvements; and train Federal, contract, and State staff.

Audits will be conducted on a first in/first out rolling basis. New entrants will be audited no sooner than 90 days after they start operating. This will provide FMCSA with a 90-day window to obtain roadside inspection data from the new entrants, as well as allow carriers time to stabilize their safety processes after starting their new businesses. FMCSA will contact these carriers at the 90-day point with the intent of completing the audit as close to that point as possible.

By the end of the third quarter of fiscal year 2004, the program should be operating at full capacity and FMCSA plans to cover any backlog of audits not completed in fiscal year 2004 during the first 6 months of fiscal year 2005 in order to meet the 18-month legislative requirement to conduct audits on the full population of carriers subject to an audit.

MARITIME ADMINISTRATION TITLE XI PROGRAM

Senator SHELBY. Title XI, guaranteed loan program; get into that. What plans, if any, do you have to help assist the shipping industry in securing financing? You are familiar with the program, the MARAD program?

Secretary MINETA. Yes, sir. The only one we have right now is the Title XI program.

Senator SHELBY. It has taken a downturn. Since 2000, the program has paid out almost $500 million in defaulted loans. What steps are you taking to help get this program back on track?

Secretary MINETA. This has been a real issue because I think we have had defaults amounting to something like $489 million.

Senator SHELBY. It is a lot of money, $500 million.

Secretary MINETA. Yes, sir. I believe we are requesting $4.5 million in the 2004 budget in this program. We are looking at the recommendations that will be forthcoming from an Inspector General report on this whole issue of the Title XI program.

FAA OPERATIONAL ERRORS

Senator SHELBY. In 2001, FAA began replacing air traffic control supervisors with controllers who assume supervisory duties and were designated as controllers in charge (CIC). According to an Inspector General's April 2003 report, the number of operational errors that occurred while a CIC was supervising an area in calendar year 2001 increased 46 percent compared to calendar year 2000. Has FAA determined the reason for the increase? If so, do you know what corrective actions the FAA leadership have taken or has planned? If you do not know offhand, you can get back to me.

Secretary MINETA. Let me get that for the record.

[The information follows:]

The Federal Aviation Administration investigates all incidents involving operational errors. In the course of these investigations, the agency looks for causal factors and makes appropriate adjustments to correct identified problems, which may affect safety. Since the CIC expansion in January 2001, FAA has not seen the program impact safety and has not seen an increase in operational errors. In fact, the records show an overall decrease in operational errors of 11 percent from fiscal year 2001 to 2002. Below is a table that reflects the data for fiscal year 2001–May, 2003.

	Operational Errors
Fiscal year 2001	1,193
Fiscal year 2002	1,061
Fiscal year 2003 (through May)	714

Senator SHELBY. Absolutely. Forty-six percent is a big number.

AIRPORT COMPETITION

Airport competition. Secretary Mineta, AIR–21 included a provision that prevents certain large and medium hub airports from receiving AIP funds or collecting new PFCs unless they submit competition plans to the Department of Transportation. It is my understanding that each year these airports must submit competition plans on an annual basis and are required to provide detailed information on an extensive list of items.

I will support any proposal that will increase competition in the commercial airline industry. Are you aware if air carriers have received access to gates and other facilities as a result of the competition plan requirements?

Secretary MINETA. I know the competition plans are being submitted, that those plans have opened up opportunities for new entrant carriers——

Senator SHELBY. It is so important; competition.

Secretary MINETA. Where you have a dominant carrier, they will probably be at gates 1 through 43, and the new entrant carrier will be at gate number 89. That is part of the whole issue that we are trying to deal with in having the airports submit these competition plans, so that we can make sure that the playing field is level.

Senator SHELBY. Absolutely.

Secretary MINETA. Especially today with traffic being down.

Senator SHELBY. Is it having an effect yet? Because that is the bottom line.

Secretary MINETA. I do not think so yet, because a number of the gates are still retained by carriers and they will not release them.

Senator SHELBY. They will not release them although they do not need them?

Secretary MINETA. Right. But, I suppose where the airlines have what they call a majority in interest clause, the dominant carrier can be pretty aggressive in determining when they release those gates.

Senator SHELBY. Absolutely. We found that out here from oversight. But at the same time, it stifles competition.

Secretary MINETA. That is right. You are absolutely correct.

Senator SHELBY. What we are interested in, and you are too, is competition in the marketplace.

Secretary MINETA. Right.

Senator SHELBY. We all benefit, do we not? All the airlines will ultimately benefit because they will have to change their business model to compete, or disappear. That is the nature of the business. It is tough.

I saw that the Department included a placeholder for competition plans in its FAA reauthorization proposal. Are you proposing to expand, Mr. Secretary, the current requirements? If so, is it necessary?

Secretary MINETA. I am not sure what you are referring to under placeholder.

Senator SHELBY. Competition plans, we saw that the Department included a placeholder for competition plans in its FAA reauthorization proposal. The question is, are you planning to, or proposing to expand the current requirements? The placeholder, we wonder what is going to happen there?

Secretary MINETA. Let me find out. Mr. Chairman, it is my understanding that the Administration, I assume through the Domestic Policy Council, is looking at the whole issue of the airline industry as it is today. So part of this whole effort is to deal with the competition that exists. It is my understanding that this was just a placeholder put in place for the Administration to eventually come up with a program relating to competition in the airline industry.

[The information follows:]

U.S. DEPARTMENT OF TRANSPORTATION,
OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, DC, May 20, 2003.

The Honorable JOHN MCCAIN,
Chairman, Committee on Commerce, Science, and Transportation, United States Senate, Washington, DC, 20510.

DEAR MR. CHAIRMAN: The Department of Transportation requests your Committee's consideration of the enclosed two legislative proposals for inclusion in pending bills to reauthorize activities of the Federal Aviation Administration (H.R. 2115 and S. 824).

The two proposals are intended to strengthen the ability of United States air carriers to compete domestically and internationally. The effects of September 11 on airline traffic and, consequently, on the financial health of U.S. air carriers have been exacerbated by the war in Iraq and by SARS. Given the growing external pressures to which aviation is being subjected, the Department has continued to identify ways to give U.S. airlines the tools necessary to respond to market forces since Secretary Mineta transmitted our FLIGHT–100 Act proposal to Congress in March.

The proposal to allow greater access to foreign capital markets would expand the resources potentially available to U.S. carriers as they restructure their operations in response to the challenges of today's domestic and international aviation realities. Raising the ceiling on the percentage of voting shares that can be owned by foreign citizens (without changing the requirement that U.S. carriers be controlled by U.S. citizens) would be consistent with foreign investment restrictions that apply to airlines in European Union countries and those of other U.S. bilateral partners. Achieving a consistent approach in the investment area could facilitate the United States' reaching new aviation agreements, thus expanding opportunities for U.S. carriers.

The second proposal would expand the number of airports covered by the requirement (added by AIR–21 in 2001 to title 49) requiring certain large and medium hub airports to submit a plan for increasing competition along with any PFC request or AIP grant application. The expansion would be from approximately 38 to 50 airports, including large gateway airports that are not now covered.

The Department has devoted a considerable amount of time to reviewing competition plans and offering suggestions as to what actions airport officials could take to enhance competitive airport access. As a result of the plan filings and suggestions by the Department, some positive pro-competitive steps have been taken at the 38 airports required to file a plan. Such steps include making gates and related facilities more available and access requirements more transparent, pre-approving leasing and subleasing arrangements, monitoring gate use, converting exclusive-use gates to common-use and recapturing unutilized gates. Low-fare air carriers benefited from the competitive actions by airport officials. In this regard, at 29 of the 38 airports, new or expanded entry/service has occurred. Large air carriers have also benefited through new lease arrangements and gate-change accommodations.

To build on the success of the AIR–21 competition plan requirement, we are proposing to expand the number of airports required to file a plan to include all large hub airports. This expansion will capture several facility-constrained airports. We are also proposing that airports (1) actively monitor how frequently their gates are used, (2) develop uniform gate-assignment protocols and notify all carriers when gates become available, (3) adopt fair sublease arrangements, (4) develop procedures to disapprove proposed subleases that would restrain competition, (5) prevent the use of majority-in-interest clauses that limit the airport's ability to develop projects necessary to enhance carrier access, and (6) implement dispute resolution procedures. These additional requirements will provide a framework by which all air carriers are given full, fair and transparent competitive airport access.

We appreciate the Committee's support to date for the Department's proposal transmitted on March 25 and would ask for favorable consideration of the enclosed proposals. The Office of Management and Budget advises that it has no objection, from the standpoint of the Administration's program, to the submission of these proposals to the Committee for its consideration.

Sincerely yours,

KIRK K. VAN TINE.

SEC. ___. AIR CARRIER CITIZENSHIP.

Section 40102(a)(15)(C) of title 49, United States Code, is amended by striking "75" and inserting "51".

SEC. ___. COMPETITION PLANS.

(a) Section 47106(f) of title 49, United States Code, is amended—

(1) in paragraph (2) by—

(A) adding the following after "gate-assignment policy,": "requests for access or accommodation by new entrant and incumbent carriers, responses thereto, and reasons for any denials of such requests,"; and

(B) adding a new sentence at the end of the paragraph as follows: "A competition plan under this subsection shall also include a justification as reasonable and not unjustly discriminatory (i) for any differential or variance in fees and/or terms of use for gates and associated facilities (including overnight parking) charged to existing and prospective carriers, respectively; and (ii) for any failure to provide access, such as by undertaking the activities listed in subparagraph (4) below within 90 days of a carrier's request.";

(2) in paragraph (3), by striking subparagraphs (A) and (B) and inserting the following:

"(A) that has more than .25 percent of the total number of passenger boardings each year at all such airports and at which 1 or 2 air carriers control more than 50 percent of the passenger boardings; or

"(B) that has more than 1 percent of the total number of passenger boardings each year."; and

(3) by inserting at the end new paragraphs (4), (5) and (6) as follows:

"(4) GATE AVAILABILITY.—In the case of a covered airport, as defined in paragraph (3) of this section, the airport owner or operator shall demonstrate that it will make gates and related facilities (including overnight parking) available, and otherwise provide access to new entrant and other requesting carriers by, e.g., undertaking the following activities:

"(A) developing dispute or complaint resolution procedures including timelines, to resolve complaints by new entrants or other requesting carriers about access;

"(B) specifying and publishing requirements for a new entrant to acquire a gate and for an incumbent carrier to expand;

"(C) providing an airport competitive access liaison;

"(D) developing procedures to monitor actual utilization of all gates and overnight parking positions and to make this data available to the Secretary and to the public;

"(E) maintaining a uniform policy of notifying all carriers (both incumbents and potential new entrants), of gate availability and having fair and transparent gate assignment protocols, including timelines for access;

"(F) adopting comparable policies and procedures for subleasing of gates by tenant carriers;

"(G) adopting dispute resolution procedures, including timelines, for disputes about sublease fees, terms, and conditions, including ground handling;

"(H) adopting caps on sublease fees and ensuring that non-tenant fees do not include charges for unneeded services;

"(I) adopting policies to review and approve or disapprove proposed subleases with explicit authority, in current and future lease agreements, to disapprove proposed subleases that would restrain competition by a new entrant air carrier, a carrier offering competitive service, or a carrier that is not dominant at the airport;

"(J) making majority-in-interest clauses in air carrier lease and use agreements inapplicable to an airport development project necessary to enhance access by an air carrier; and

"(K) posting the submitted competition plans required under this subsection and the comments of the Secretary in a publicly available location, including a website if such internet website exists.

"(5) PLAN APPROVAL.—The Secretary may disapprove a competition plan that is not in accordance with this subsection and guidance established by the Secretary. The Secretary shall provide written notification of the disapproval to the sponsor, which shall include specific findings regarding the basis for the disapproval.

"(6) WITHOLDING APPROVAL.—(A) The Secretary may withhold approval of an application under this subchapter for amounts apportioned under section 47114(c) and (e) of this subtitle following disapproval of a plan under subparagraph (4) only if—

"(i) the Secretary provides the sponsor or a covered airport 30 days to address specific findings in the notice of disapproval;

"(ii) the Secretary provides the sponsor of a covered airport an opportunity for a hearing; and

"(iii) not later than 180 days after the later of the date of the application or the date the Secretary notifies the sponsor of the disapproval of the plan,

"(B) The 180-day period may be extended by—

"(i) agreement between the Secretary and the sponsor; or

"(ii) the hearing officer if the officer decides an extension is necessary because the sponsor did not follow the schedule the officer established.

"(C) A person adversely affected by an order of the Secretary withholding approval may obtain review of the order by filing a petition in the United States Court of Appeals for the District of Columbia Circuit or in the circuit in which the project is located. The action must be brought not later than 60 days after the order is served on the petitioner."

(b) Section 47107(a) is amended—

(1) in paragraph (1) at the end of the sentence, by adding ", which includes providing competitive access.";

(2) by adding at the end the following new paragraph:

"(21) in the case of a covered airport, as defined in section 47106(f)(3), the airport owner or operator will demonstrate that it will make gates and related facilities (including overnight parking) available and otherwise provide access to new entrants and other requesting carriers by undertaking the following activities:

"(A) developing dispute or complaint resolution procedures, including timelines, to resolve complaints by new entrants or other requesting carriers about access;

"(B) specifying and publishing requirements for a new entrant to acquire a gate and for an incumbent carrier to expand;

"(C) appointing an airport competitive access liaison;

"(D) developing procedures to monitor actual utilization of all gates and related overnight parking positions and to make this data available to the Secretary and to the public;

"(E) maintaining a uniform policy of notifying all carriers (both incumbents and potential new entrants), of gate availability, and having fair and transparent gate assignment protocols, including timelines for access;

"(F) adopting comparable policies and procedures for subleasing of gates by tenant carriers;

"(G) adopting dispute resolution procedures, including timelines, for disputes about sublease fees, terms, and conditions, including ground handling;

"(H) adopting caps on sublease fees and ensuring that non-tenant fees do not include charges for unneeded services;

"(I) adopting policies to review and approve or disapprove proposed subleases with explicit authority, in current and future lease agreements, to disapprove proposed subleases that would restrain competition by a new entrant air carrier, a carrier offering competitive service, or a carrier that is not dominant at the airport;

"(J) making majority-in-interest clauses in air carrier lease and use agreements inapplicable to an airport development project necessary to enhance access by an air carrier; and

"(K) posting the submitted competition plans required under section 47106(f) and any comments of the Secretary on the plan in a publicly available location, including a website if such internet website exists.".

SEC.____. AIR CARRIER CITIZENSHIP. This provision raises the maximum percentage of an air carrier's voting stock that can be held by foreign citizens (in the aggregate) from 25 percent to 49 percent. The change is intended to create greater access for U.S. airline companies to the global capital marketplace without affecting any requirements in current law or Department of Transportation precedent that are intended to ensure that U.S. airlines are controlled by U.S. citizens. The amendment would bring U.S. foreign investment restrictions into line with those of the European Union and other countries.

SEC. ____. COMPETITION PLANS. This section would expand covered airports to all large hub airports in addition to those medium hubs that have two or less carriers with 50 percent or more of boardings. It would clarify that compliance with the existing AIP grant assurance on reasonable access includes providing competitive access. It also would require a new AIP grant assurance to increase opportunities for competition at covered airports and the use of gates and related facilities at these airports by requiring covered airports to develop dispute resolution proce-

dures, publish requirements for gate access, appoint a competitive access liaison, monitor usage of gates and aircraft parking positions, notify carriers of the availability of gates and of sublease opportunities on a uniform basis, adopt fair protocols for gate assignment and for processing of subleases, adopt caps on sublease fees, develop procedures to disapprove proposed subleases that would restrain competition, prevent the use of majority-in-interest clauses to airport development projects necessary to enhance air carrier access, and to post the competition plan on the airport's web site. Covered airports would be required to provide information on these initiatives in their competition plans and to justify any differences in the fees and/or terms of use imposed on existing and prospective carriers, respectively, and on any failure to provide access within 90 days of a carrier's request. Non-covered airports would be encouraged to adopt these initiatives and procedures and would be expected to rectify any practice that is found to hinder access. This section would also provide explicit authority to the Secretary for disapproval of a competition plan and would establish hearing procedures for covered airports whose AIP entitlement funds are withheld based on a competition plan disapproval.

Senator SHELBY. Mr. Secretary, this will be my last question hopefully. This is in the transit area.

TRANSIT REAUTHORIZATION

I must tell you that I am disappointed in what I am hearing about the transit reauthorization. I am especially interested in transit this year because, as you know, I chair the Banking Committee and I am involved with Senator Murray very much in transit on this committee. I would hope that you would take a fresh look, Mr. Secretary, at the transit program and propose modifications that would improve rural connectivity, improve project oversight, provide more tools and options for States, urban centers, and localities in dealing with their transit challenges, and to nudge the program toward providing comprehensive transportation solutions as opposed to transit band-aids.

I would have thought that the budget constraints you faced in formulating your proposals would have pushed you at least in some of these directions. I am hearing that the only thing the Administration's proposal is likely to do is call for greater reliance on formula programs, and for program growth to come from innovative financing. That concerns me. What is innovative financing? Can you tell us what considerations you think are most important in improving the transit program?

Secretary MINETA. First of all, this has been an interest of mine for quite awhile. As you will recall, when we had ISTEA we changed the name of UMTA, the Urban Mass Transit Administration to FTA, the Federal Transit Administration, in order to point out that transit is not only an urban matter but it is a rural issue as well. This has been an interest of mine, and this year in our 2004 submission we increase. For transit we increase that by 20 percent as it relates to rural areas. That includes the rural representation on MPOs as well in terms of how rural representation gets treated in the MPOs.

So I think that what we are trying to do is to make sure that there is what you refer to as rural connectivity. This is something that the Administration is interested as well.

Senator SHELBY. Thank you. Senator Murray.

AIRLINE INDUSTRY SUBSIDIES

Senator MURRAY. Thank you, Mr. Chairman. I just have one comment and one question. My comment is that I second what Senator Brownback was discussing with you in terms of the airline industry. We are deeply concerned about the impact of subsidies, and I hope that you pursue this with the Trade Secretary Representative, Ambassador Zoellick, and have a conversation with him about this because I think we are setting ourselves up for a very bad place if we do not seriously take a look at this. I look forward to working with you on that.

SOUTHERN BORDER

Let me just ask you, because 2 years ago this subcommittee imposed a number of strict new safety requirements that had to be met before you could allow Mexican trucks into the United States. According to the IG, you have fulfilled every one of those safety requirements. But as soon as that took place, the Ninth Circuit Court of Appeals ruled that you could not open the border because the Administration never prepared the required environmental impact statement. Just a few weeks ago, you asked the Ninth Circuit to rehear that case. Your request was denied and you now appear to have a choice between appealing to the Supreme Court on this or going forward and preparing the environmental impact statement. I wondered which course you were going to take?

Secretary MINETA. We have not decided that yet. We have until the 9th of July, I believe, in order to make a decision.

Senator MURRAY. If the Supreme Court hears an appeal, it is likely that you will not get a decision well into 2004. Have you looked at the fact that it might be much more timely to go ahead and do the environmental impact statement?

Secretary MINETA. I think we are looking right now at the time that it would take to complete the environmental impact statement (EIS) as compared to appealing. We have not come to a decision yet on which approach to take.

Senator MURRAY. Thank you, Mr. Chairman.

Senator SHELBY. We are joined by Senator Stevens, the chairman of the full committee. Senator Stevens.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much. It is nice to see you, Mr. Secretary.

Secretary MINETA. Good to see you, sir.

TRUCK MONITORING

Senator STEVENS. I am searching right now for the name of the program that was described to me yesterday that Alaska is not included in. It is a program whereby trucks are monitored throughout the southern 48 States that contain hazardous substances. I was just notified yesterday that the trucks that come up to Alaska through Canada and up the Alaska Highway into Alaska do not have that program. I am sorry, I just do not remember the name of it.

I did not know that, and one of the reasons is, of course, our trucks pass through Canada and it is a satellite tracking program to make sure that we have absolute control over those trucks that contain hazardous materials. There are only a few of those trucks that come up to Alaska that are Department of Defense. Most of the Defense-oriented transportation comes by barge and goes up the Alaska railroad. But there are a considerable number of private concerns that do use that tracking system to bring these trucks into Alaska. I wanted to call it to your attention and urge your review of it because it is my understanding that the Defense Department is unwilling to spend money for this system to go to Alaska since they have such a small portion of coverage as far as hazardous materials coming to Alaska by truck; virtually none, as a matter of fact.

Secretary MINETA. Senator, I will have to look into that matter and get back to you.

TRACKING OF HAZARDOUS MATERIAL

Senator STEVENS. I apologize. A senior moment here. I cannot remember the name of the program. But I do hope, Norm, you will look at it because we did not know—we have a considerable amount of hazardous material that comes into Alaska. It is a very tough thing to get it through Canada as a matter of fact. But I think if we provided this tracking system it might improve our relationship with our neighbor, but certainly it has something to do with rates for the people who have those trucks. If they do not have this coverage, the rates for insurance are much higher.

So I am speaking really for the trucking industry from the State of Washington that primarily brings hazardous materials into our State. It is something that was just never called to our attention and I would like to find some way to cure it. They have asked us to add $4 million to your budget. That is what I am here for, to cover the cost of adding that satellite coverage for hazardous material tracking as it comes through Canada and through Alaska. I would appreciate it if you get the time——

Secretary MINETA. I will look at it and get back to you, Mr. Chairman.

[The information follows:]

FMCSA has a $2.5 million on-going operational field test of vehicles with security technologies, including satellite tracking that involves 100 trucks from 8 trucking companies, 4 shippers, and 4 consignees of hazardous materials in various segments of the hazardous materials industry. The goal of the project is to demonstrate the effectiveness of technologies in improving both safety and security, and to quantify the costs and benefits of implementing these technologies in the HAZMAT industry. In addition, FMCSA is about to commence a $2 million project to demonstrate satellite tracking of untethered trailers.

Another related initiative is FMCSA's Supplemental Notice of Proposed Rulemaking to establish a Federal HM permit program for carriers of the most dangerous hazardous materials. As part of this proposed rulemaking, currently in Departmental review, FMCSA is considering a requirement for carriers of these materials have a system to communicate with the driver. We expect that satellite tracking and communications systems will be widely used to satisfy this requirement. In addition, the Research and Special Programs Administration (RSPA) is working on a Notice of Proposed Rulemaking that may require communication systems for larger numbers of hazardous materials shipments.

DOT is undertaking demonstration projects to promote the safety, security, and efficiency benefits of satellite tracking systems for the trucking industry. We believe

that through projects such as our two demonstration projects the industry will, on its own accord, begin to incorporate these technologies. The implementation of these systems will likely be further promoted as the Department finalizes security regulations for hazardous materials. As the untethered trailer tracking demonstration project is still in the planning phase, we will examine whether Alaska is an appropriate venue for this effort.

Senator STEVENS. I will find that name, Norm, and send it to you today. Thanks.

Senator SHELBY. Thank you, Senator Stevens.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Secretary, we appreciate your appearance today. We know we have asked some questions that you will answer for the record.

Secretary MINETA. Yes, sir.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

INFRASTRUCTURE AND PERFORMANCE MAINTENANCE INITIATIVE

Question. Has the Department identified any specific examples of the types of facilities that would be funded if the new "infrastructure performance and maintenance initiative" were authorized? If so, could you provide those examples to the Committee?

Answer. The intent of the Infrastructure Performance and Maintenance (IPAM) initiative is to focus the use of Federal funds on two types of Federal-aid highways projects: system preservation and the elimination of chokepoints. System preservation projects include a range of activities from preventative maintenance (e.g., cleaning and resealing of pavement joints or the restoration of rust resistant bridge paint) to minor reconstruction. During TEA–21, the States made good investments in system preservation, and the physical condition of highways and bridges has improved. The system preservation component of IPAM should help maintain this positive trend.

The second category of eligibility under IPAM would be the elimination of traffic chokepoints. IPAM spending for congestion reduction would be targeted to traffic bottlenecks, not the widening of long stretches of highway. Likely projects would include intelligent transportation initiatives and the limited alteration of existing facilities. This would include improvements to interchange ramp, added auxiliary lanes, short sections of added through lanes and intersection modernization.

In either case—system preservation or chokepoint elimination—the goal is to fund projects that are ready to go and that can be completed in a relatively short timeframe, providing timely improvements for the Nation's road users.

HIGHWAY SAFETY INITIATIVES

Question. The Department's budget appears to propose a safety program that is very different from the programs of the past. Knowing that both Click-It-or-Ticket mobilizations and impaired driving mobilizations have proven to be extremely successful the Department still chose to specifically exclude them from the budget request. What then is being proposed that will yield even better results?

Answer. The National Highway Traffic Safety Administration (NHTSA) intends to continue the "Click It or Ticket" and "You Drink & Drive. You Lose." mobilizations in 2004, and beyond. Early in calendar year 2003, NHTSA solicited input from the Governors Highway Safety Association and the highway safety offices of the fifty States, the District of Columbia and Puerto Rico. Given the solid commitment to continuing the mobilizations that was expressed, NHTSA does not believe that it is necessary to earmark grant funds to the States for this purpose. States can use their Section 402 grants funds to support these efforts.

AMTRAK REFORM PROPOSAL

Question. Mr. Secretary, as I mentioned in my opening statement, we are all eagerly awaiting an Amtrak Reform proposal. You talked about it last year, Michael

Jackson has talked about it this year and we have yet to see a concrete proposal. When may we expect some type of formal legislative proposal for Amtrak reform?

Answer. The Secretary of Transportation transmitted the Administration's intercity passenger rail legislative proposal—The Passenger Rail Investment Reform Act of 2003—to Congress on July 28, 2003.

SHIP DISPOSAL

Question. The Maritime Administration is tasked with the disposal of all obsolete vessels from the National Defense Reserve Fleet by September 30, 2006. There are more than 130 vessels presently in the fleet awaiting disposal, and MARAD has only disposed of 14 vessels over the past 3 years.

I would like for you to keep me updated on how you plan to accomplish this task. This is a serious and expensive endeavor that really needs to be resolved.

How does MARAD plan to dispose of these vessels by the statutory deadline? If additional vessels are accepted from the Navy and other sources, what strategies does MARAD have in place for the fleet to keep the program on schedule?

Answer. As the Federal Government's ship disposal agent, MARAD acquires obsolete ships into its fleets on a continuous basis. Additional vessels to the 130 already in custody will significantly increase the disposal challenge faced by MARAD. MARAD's only disposal options from 1994–2000 were domestic ship sales and occasional ship donations, which resulted in 12 vessel sales for recycling and 5 vessel donations. Prior to 2001, MARAD did not have the authority to pay for dismantling services; thus, there was no ship disposal budget. The vessels that accumulated in the 1990's (the backlog) are now in poor condition, and account for approximately 75 of the 130 ships on hand. Disposal of the vessel backlog, while acquiring even more obsolete vessels, is a significant challenge.

The deadline of September 30, 2006, established in the National Defense Authorization Act of 2001, will be difficult to reach because the Fleet is projected to receive 15 additional ships in each of the next 3 years. When this goal was established 2 years ago, there were 115 vessels in the Fleet. Since then, 16 vessels have been removed; however, MARAD received an additional 31 obsolete ships during that period.

The program priority remains focused on disposal of MARAD's 27 high-risk, non-retention vessels (20 in the James River Reserve Fleet (JRRF), Virginia; 5 in the Suisun Bay Reserve Fleet, California; and 2 in other locations—Mobile, Alabama, and Portsmouth, Virginia).

MARAD anticipates removing a minimum of 25 vessels from the Fleet through domestic and export disposal recycling using the fiscal year 2003 appropriation of $11.1 million, coupled with $20 million in funding from the Department of Defense. Proposals received thus far for the export of ships for recycling clearly indicate that export is the most cost-effective method because of higher demand for recyclable materials, lower labor costs, greater industrial capacity and greater competition. The ability to export ships for recycling will expedite the elimination of high-risk ships, significantly mitigate the environmental threat of oil discharge at the Fleet sites, and reduce the total number of obsolete vessels significantly.

Ship disposal methods currently available, and the industry's response to MARAD's announcements, indicate that the cost-effectiveness of ship dismantling is based on economies of scale. The current contract with the United Kingdom involving the removal of 15 ships for $14 million is one example—the higher the number of ships, the greater the yield of steel and other recyclable materials. Many of the Program Research & Development Announcement (PRDA) proposals involving export contain costs to the Government that are significantly lower than current and anticipated costs for domestic dismantling. While the domestic dismantling industry has limited capacity, higher costs and limited competition, MARAD is currently in the process of awarding contracts to four domestic companies to recycle 10 ships. Ship dismantling/recycling is heavy industrial work—low tech and labor intensive. It involves the handling and disposition of hazardous materials, and thus has some inherent risks regardless of where the work is done. Although foreign facilities are not subject to worker and environmental laws as domestic facilities are, the foreign industry must demonstrate to MARAD and the EPA that they can accomplish responsible vessel recycling that protects worker safety and health.

Other initiatives include:

(a) *National environmental best management practices (BMP) for preparing vessels for use as artificial reefs.*—This is an interagency effort involving MARAD, the Environmental Protection Agency (EPA), Navy, United States Coast Guard, National Oceanic and Atmospheric Administration, Army Corps of Engineers, National Marine Fisheries, and other agencies, that MARAD initiated in 2002 with a projected

completion in the spring of 2004. Establishing best practices will standardize the ship preparation guidelines on a nationwide basis, thus facilitating the application and vessel preparation processes, and aiding the States and MARAD in estimating the costs associated with ship preparation for artificial reefing.

(b) *Fuel removal for JRRF vessels*.—MARAD continues to assess the risks associated with the removal of oil from obsolete ships prior to disposal. A PRDA was posted in fiscal year 2003; however, the proposals received did not offer any technologies, methodologies or innovations to make oil removal a cost-effective option. MARAD's policy has been that the safest and most cost-effective method of removing oil, and thus mitigating the risk of oil discharges from our obsolete ships, is to remove the oil during the ship dismantling process and not beforehand. MARAD continues to pursue opportunities to assess the feasibility and cost-effectiveness of oil removal technologies beyond traditional pumping methods. The goal is to identify cost-effective methods for the safe removal of some fuels, while the vessels are awaiting disposal. Heretofore, traditional oil pumping methods have not been cost-effective in removing significant quantities of oil to mitigate the threat of oil discharges into the environment.

(c) *Streamlining the artificial reefing application review and approval process*.—The current application process required of coastal States to acquire vessels to be used as reefs, and the subsequent Federal agency review and approval process, is cumbersome and time consuming. MARAD, jointly with all the Federal agencies involved in the artificial reefing process, is working to streamline the process.

(d) *Discussions with the Mexican Government*.—MARAD and EPA are exploring opportunities that mutually benefit Mexican vessel recycling facilities and MARAD, by providing a possible source of cost-effective and environmentally responsible vessel recycling.

(e) *Global Action Program (GAP)*.—MARAD has begun preliminary discussions related to partnering with interested Basel Convention countries, the International Maritime Organization, and the International Labor Organization in an international program to promote environmentally responsible and sustainable ship disposal.

(f) *Army Corp of Engineers (ACOE) and Louisiana barrier island stabilization using obsolete vessels*.—MARAD has held preliminary discussions with the ACOE related to a potential pilot project and feasibility study to test the effectiveness of using obsolete vessels to stabilize the shorelines of barrier islands.

HIGHWAY-RELATED FATALITIES

Question. The Department's goal for highway-related fatalities in 2004 is 1.38 per 100 vehicle miles traveled. The budget seems to indicate that the two major reasons for the lack of significant progress in reducing overall highway-related fatalities can be directly attributed to motorcycles and pedestrians. What then is the Department doing to address and reduce the number of fatalities between these two groups? I ask because the budget appears to assume a steady rate among these groups and a necessity to focus on passenger cars and light trucks.

Answer. NHTSA's fiscal year 2004 budget request addresses the action items in the NHTSA Motorcycle Safety Program document released in January 2003 and the National Agenda for Motorcycle Safety developed in collaboration with motorcycle safety partners.

A new fiscal year 2004 initiative will address a concern that motorcycle training programs accommodate all those who seek training. NHTSA plans to work with identified State rider education and training programs to develop and implement long-range strategic plans to make training available for all those who need it and in a timely fashion. NHTSA will continue research on motorcycle lighting as a means to improve motorcyclist conspicuity and will continue research on motorcycle braking systems.

Additionally, NHTSA will: conduct research on crash avoidance skills; conduct research on motorcyclists conspicuity; support projects to reduce impaired riding by developing and testing activities that may include peer-to-peer efforts, social norm models, enforcement efforts, and motorcycle impoundment; and collect and analyze motorcycle crash, injury, and fatality data and compare motorcyclists who successfully completed formal rider training to those who have not.

Pedestrian crashes are addressed through a combination of public information, legislation, enforcement, engineering, and outreach strategies. NHTSA will: fund competitive demonstration projects designed to involve the law enforcement community to improve pedestrian safety; develop a community guide to tackle the challenges of implementing comprehensive pedestrian safety programs; explore the feasibility of developing and disseminating a school crossing guard curriculum; and de-

velop community-level Safe Routes to School workshops to increase pedestrian safety around schools.

NHTSA will also disseminate tools to encourage communities to promote safe walking. Non-traditional partners, such as smart growth coalitions or local government commissions, will be identified and encouraged to incorporate pedestrian safety into their organizations' missions. NHTSA will continue its partnership with the Federal Highway Administration to incorporate infrastructure improvements with behavioral safety principles.

REQUIREMENTS FOR AMTRAK TO RECEIVE FEDERAL SUBSIDY

Question. The Fiscal Year 2003 Appropriations Act placed a number of new requirements on Amtrak's ability to obtain their Federal subsidy. What, if any changes to those requirements would you propose to improve the Department's oversight of the railroad for the 2004 bill?

Answer. The Fiscal Year 2003 Appropriations Act's new requirements on grants to Amtrak are built upon reforms required by the Department as conditions to the fiscal year 2002 loan under the Railroad Rehabilitation and Improvement Financing (RRIF) program. These requirements have resulted in a significant improvement in the way Amtrak does business and should be continued. While additional reform is needed in the way intercity passenger rail service is provided in this country, such reforms should be part of comprehensive authorization legislation and are included in the legislation that the Secretary of Transportation transmitted to Congress.

PATRIOT ACT

Question. The Patriot Act requires a background check on all drivers transporting Hazardous Materials. When TSA was transferred to the Department of Homeland Security, the background investigative authority for the HAZMAT endorsement was also transferred as was the ability to grant that endorsement to CDL holders. However, the Department has requested money in the 2004 budget to continue to pay for these background checks. While I recognize that there is an outstanding contract between Motor Carriers and Lexis-Nexis to provide these services, I am concerned that this will be an ongoing request in future budgets. What is the Department doing to work with TSA to transfer this financial responsibility as well?

Answer. The Fiscal Year 2004 President's Budget includes $3 million for FMCSA to implement Section 1012 of the Patriot Act. These funds would be obligated for the existing Lexis-Nexis contract. The Department has developed a memorandum of understanding between TSA and FMCSA, with FMCSA delegating day-to-day contractual administrative management responsibilities to TSA for the Lexis-Nexis contract. There will be no further financial responsibility for the Department beyond fiscal year 2004.

IMPROVING PAVEMENT RIDE QUALITY

Question. One of the Department's Strategic and Performance Goals is to increase the percent of pavement on the National Highway System with acceptable ride quality to 93.1 percent. Can you tell me how, with less highway funding, this budget proposes to reach this goal?

Answer. The Department's performance goal for 2004 is to increase the percent of travel with acceptable ride quality on the National Highway System to 93.0. In addition to normal Federal-aid construction funds, the Department proposes to utilize research and technology funds to develop products and deliver technology that will improve pavement smoothness during initial construction and pavement ride quality over the life cycle of highways. Specific examples include improved pavement smoothness specifications, best practice guides for construction, improved pavement profile measurement equipment and profile analysis software.

Additionally, specific initiatives will be focused on the 10 States where 76 percent of the travel on highways with unacceptable ride quality exists. The Department will initiate development and delivery of customized workshops focused on addressing specific needs in these States.

HIGHWAY PERFORMANCE AND MAINTENANCE INITIATIVE (IPAM)

Question. The budget purposes a new, $1 billion highway performance and maintenance initiative which targets "ready-to-go" highway projects that address traffic bottlenecks and improve infrastructure conditions. How will the funds be distributed to the States? What specific guidance will be given for expenditures of the funds? Will States be allowed to reimburse themselves for already completed projects meeting the required criteria? In developing this new initiative were any specific projects

identified that would meet the criteria? If so, could you provide a list of those projects and the characteristics that qualify them for the new initiative?

Answer. The funds would be distributed by formula with 25 percent of the funds distributed based on each State's relative share of Federal-aid lane-miles, 40 percent based on each State's relative share of vehicle-miles of travel on Federal-aid highways and 35 percent based on each State's relative share of contributions to the Highway Account of the Highway Trust Fund. There would be a one-half percent minimum for each State. This formula is the same as is being used for the Surface Transportation Program.

States would have 6 months to obligate their IPAM funds. This is consistent with the requirement that the funds be used for ready-to-go projects. After the 6-month deadline, un-obligated funds would be withdrawn from States and distributed to other States that could obligate the funds by the end of the fiscal year. We do not anticipate that States will find it difficult to comply with the 6-month timeframe.

States would not be allowed to reimburse themselves for projects meeting the required criteria that are already completed or are already underway using the advance construction provisions of title 23. The intent of the IPAM program is to quickly initiate and deliver projects and their benefits to the public. Allowing the use of IPAM funds to reimburse already completed projects or projects that are already being advanced using other approaches would defeat this intent.

Program guidance would also clarify eligible projects for IPAM funds by further defining the types of projects that would be eligible. The selection of projects to be carried under the IPAM program would be a State prerogative.

The IPAM does not create new eligibilities for Federal-aid highway funds. The intent is to focus the use of Federal funds on two types of projects on Federal-aid highways, system preservation and the elimination of chokepoints. System preservation projects include a range of activities from preventative maintenance to minor reconstruction. During TEA–21, States made good investments in system preservation and the physical condition of highways and bridges has improved. The system preservation component of IPAM should help maintain this positive trend.

The second category of eligibility under IPAM would be the elimination of traffic chokepoints. Reducing congestion is a great and costly challenge. IPAM spending for congestion reduction would be targeted to traffic bottlenecks, not the widening of long stretches of highway. Likely projects would include intelligent transportation initiatives and the limited alteration of existing facilities. This would include interchange ramp improvements, added auxiliary lanes, short sections of added through lanes and intersection modernization.

ADDITIONAL FTE'S

Question. The budget requests 12 new FTE for the purposes of "enhancing the oversight of major projects; improvements to the security of our critical information systems; upgrades to our information technology infrastructure; and FHWA's share of the costs to consolidate all DOT modes located in Lakewood, Colorado, into one facility." Could you provide a breakdown of exactly how these new FTE will be utilized in each of the areas specified in the description? Provide a prioritization for each of these 12 FTE based upon need.

Answer. The 12 FTE that are requested in fiscal year 2004 will be used specifically to enhance major projects oversight and fulfill FHWA's commitment of having a dedicated oversight project manager on each mega-project. All 12 FTE are considered equal and will be used as environmental commitments of the projects are entered into.

FHWA will designate Mega-Project Oversight Managers who are personally accountable for proper Federal oversight and establish Integrated Product Teams to assist the oversight manager. The addition of the 12 FTE is essential for FHWA to perform its stewardship and oversight role. The responsibilities of each mega-project oversight manager include:

—Representing FHWA before other Federal agencies, State Transportation Agencies (STA), local agencies, consultants, and contractors on all project delivery and oversight issues.
—Briefing FHWA upper management, the Office of the Secretary of Transportation, and the media on project status, and significant project activities and issues.
—Monitoring environmental commitments and ensuring that they are incorporated into the plans and specifications.
—Overseeing the review and approval of plans, specifications, and estimates for appropriate application of design standards and criteria, conformance with poli-

cies and regulations, traffic-safety features, reasonableness of estimated costs, and proper specifications and other contract provisions.
—Monitoring and reporting cost and schedule changes and updates, analyzing project status for reasonableness and accuracy, and managing changes to minimize impacts to costs and schedules.
—Ensuring cost containment strategies such as value engineering, constructability reviews, design-to-cost strategies, and up-front planning to minimize contractor risks are incorporated. Coordinating with FHWA bridge engineers for design reviews of major structures.
—Ensuring FHWA laws and requirements for Federal-aid construction contracts are incorporated, such as Buy America, Davis-Bacon minimum wage rates, Disadvantaged Business Enterprise and affirmative action requirements, records of materials and supplies, etc.
—Conducting project inspections to verify compliance with standard engineering practice, and providing technical assistance.
—Providing assistance and direction to the STA on the proper application of Federal funds, designated funding, and innovative financing programs.
—Reviewing the Initial Finance Plan and Annual Updates, coordinating with the STA and Headquarters Office, and ultimately accepting the initial plan and updates.
—Promoting technology transfer to and from the project.

FISCAL YEAR 2004 FTE REQUIREMENT FOR ACTIVE (AND FUTURE) MAJOR PROJECTS

Projects	Status	Current Staffing Level	Fiscal Year 2004
I–80/San Francisco-Oakland Bay Bridge (East Span), CA	Active	1	1
SR 210/Foothill Freeway	Active		
I–25/I–225 Southeast Corridor, CO	Active	1	1
New Haven Harbor Crossing, CT	Active		1
Miami Intermodal Center, FL	Active		1
I–4/I–275 Tampa Interstate, FL	Active		1
New Mississippi River Bridge, IL-MO	Active		1
Central Artery/Ted Williams Tunnel, MA	Active	5	3
Central Texas Turnpike, TX	Active	1	1
I–10/Katy Freeway, TX	Active		1
I–95/Woodrow Wilson Bridge, MD	Active	2	2
I–95/I–495 Springfield Interchange, VA	Active	1	1
I–64/Hampton Roads Third Crossing, VA	Active		2
I–94/East-West Corridor, WI	Active		1
New Ohio River Bridges, KY-IN	Future		1
I–94/Edsel Ford Freeway, MI	Future		1
Mon/Fayette Expressway, PA	Future		1
I–635/LBJ Freeway (West Section), TX	Future		1
I–405 Corridor/SR 509 and I–5/SR520/Alaskan Way Viaduct, WA	Future		2
Totals		11	23

INTELLIGENT VEHICLE INITIATIVE

Question. The budget request discusses an example of an Intelligent Vehicle Initiative (IVI) to develop driver assistance systems that will reduce the number and severity of crashes and goes further to discuss systems currently under development to "warn drivers of dangerous situations and recommend corrective actions, or in some cases, even assume partial control of vehicles to avoid collisions." Where is this research being conducted, who is participating and when do you anticipate the research will be completed? Additionally, is there a coordinated effort with the automobile manufacturers to develop and test these systems?

Answer. The work under the IVI program is being conducted in a series of coordinated contracts and cooperative agreements with the Department of Transportation's (DOT) partners in the public and private sectors, as well as universities and other research institutions. DOT's partners were chosen because they are the critical organizations needed to develop and deploy effective systems. They include seven of the largest automobile manufactures (General Motors, Ford, DaimlerChrysler, Toyota, Nissan, BMW and Volkswagen), the largest technology suppliers to the U.S. automotive industry (Delphi Delco, Visteon, TRW and DENSO), heavy truck manufacturers (Freightliner, Mack, Volvo Trucks, and Navistar International),

the State Departments of Transportation for California, Minnesota and Virginia, and finally several commercial and transit fleet operators.

Under the IVI program, DOT is working on crash countermeasures that address the largest types of crashes (rear-end, road departure, intersection and lane change) and the factors that cause the crashes. The understanding of the crash problem and development of effective solutions varies in levels of maturity. Consequently, the IVI program is a long-term effort that is designed to produce incremental results. DOT's previous efforts already have led to the deployment of vision enhancement, adaptive cruise control and lane tracking systems. DOT's current activities are expected to support deployment of rear-end and road-departure collision-avoidance systems for passenger cars in the next 2 to 5 years. Intersection collisions are a more complicated problem that will require vehicle and infrastructure cooperative systems. Therefore, DOT does not expect these systems to be available for 8 to 10 years.

The IVI program coordinates with automobile manufacturers at several levels. Overall strategic planning is coordinated through a Light Vehicle Industry Federal Advisory Committee Panel. DOT is working with a partnership of General Motors, Ford, Daimler-Chrysler, Toyota, Nissan, BMW and Volkswagen to study various enabling research issues. We are currently conducting studies with this partnership on driver workload, forward collision warning, enhanced digital maps and dedicated short-range communications (DSRC). DOT is also working directly with General Motors and Delphi-Delco on a Field Operational Test of Rear-end Collision Avoidance Systems for passenger cars. We also have a Field Operational Test for Road Departure Collision Avoidance Systems for Passenger cars with Visteon.

ADOPTION OF SAFETY COUNTERMEASURES

Question. One of FHWA's anticipated accomplishments is a "greater adoption and understanding by States of the safety benefits of countermeasures, including rumble strips and related roadside hardware, particularly on rural roads." What percentage of highway fatalities does FHWA attribute to hazardous roadway conditions? What specific programs will FHWA pursue with the States to promote these particular countermeasures? Will FHWA encourage States to utilize a majority of their safety funding for this purpose? If not, how will FHWA ensure greater adoption of countermeasures by the States?

Answer. J.R. Treat's "Indiana Tri-Level Study—A Study of Pre-Crash Factors Involved in Traffic Accidents" attributes 34 percent of highway crashes to the roadway as a cause or contributing factor. Treat's study is based on on-site reviews of actual highway crashes. The study recognizes that many crashes involve multiple factors related to the roadway, the driver and the vehicle. The percentages include crashes where there is more than one causal factor.

FHWA pursues a number of programs to address infrastructure-related safety opportunities. One key area of focus is working with the American Association of State Highway and Transportation Officials (AASHTO) on the development and implementation of guidebooks which address areas of emphasis within the AASHTO Strategic Highway Safety Plan. Several of these areas of emphasis address roadway and roadside features, including newly-released guidebooks on run-off-road collisions, collisions in intersections without signals, head-on collisions, and collisions involving trees in hazardous locations.

In addition to these partnering efforts with the AASHTO, FHWA issued a Technical Advisory on shoulder rumble strips last year to help States design and install them on rural National Highway System segments. The Mississippi Department of Transportation installed and tested different rumble strip designs combined with pavement marking overlays on rural roads. Initial evaluations indicate improved safety on rainy nights due to more visible pavement markings and audible rumble strip warnings. Also, FHWA reviews crash test data on new roadside hardware to verify its effectiveness and compliance with current crash test evaluation criteria. To provide States, local agencies and other interested parties information on which roadside hardware can be used safely, FHWA posts letters of acceptance for new hardware on its roadside safety website, http://safety.fhwa.dot.gov/report350hardware. Since 1998, over 240 letters have been posted on guardrails, bridge rails, crash cushions, sign and light poles and work zone traffic devices.

FHWA encourages States to use their safety funding for a variety of safety countermeasures based on a strategic approach to highway safety that identifies key problems and the most effective countermeasures. For example, studies on two-lane rural highways show that crash rates decline as shoulders are added or widened. Rumble strips may not be the most effective countermeasure on these narrow roads. Each State must identify and evaluate its particular safety needs to make the best use of its safety funding. FHWA is working with States to develop goals and per-

formance measures to improve their safety performance. Accurate data on crash causation forms the basis of a strategic approach to highway safety that also encourages State adoption of effective countermeasures.

STATE SPENDING ON HAZARD ELIMINATION PROJECTS

Question. How much of current highway safety funding is utilized by States for hazard mitigation projects? Please provide a breakdown for each State for 2000, 2001 and 2002?

Answer. The chart that follows shows the funds obligated by the States for hazard elimination projects during fiscal years 2000–2002.

State	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002
Alabama	$597,579.25	$10,461,385.53	$1,385,519.46
Alaska	834,666.00	861,301.22	804,812.00
Arizona	0	1,124,342.00	3,890,823.00
Arkansas	2,056,734.00	436,375.00	28,142.00
California	11,250,001.87	17,940,935.96	16,401,450.91
Colorado	2,273,901.00	2,279,921.00	2,389,313.00
Connecticut	1,705,329.88	1,858,893.25	2,084,266.35
Delaware	828,325.00	414,768.35	0
District of Columbia	0	0	0
Florida	3,349,934.00	3,516,589.00	5,050,791.00
Georgia	2,336,036.69	1,902,328.28	542,338.25
Hawaii	790,219.00	635,143.00	0
Idaho	140,692.00	1,145,248.00	451,065.25
Illinois	8,913,513.02	10,305,632.69	8,976,229.72
Indiana	3,518,335.67	2,229,913.41	1,127,612.56
Iowa	450,000.00	2,266,100.00	1,079,943.13
Kansas	1,808,724.51	5,146,482.47	3,187,743.50
Kentucky	1,936,379.04	1,845,245.72	719,869.66
Louisiana	1,239,652.00	1,187,013.71	3,901,352.15
Maine	1,094,811.91	267,029.07	521,805.41
Maryland	0	3,264,098.00	2,619,436.00
Massachusetts	0	0	0
Michigan	8,279,378.92	10,087,363.35	8,781,312.87
Minnesota	3,282,132.09	1,962,307.15	5,321,754.92
Mississippi	4,018,145.00	2,072,571.00	1,981,001.00
Missouri	6,067,894.55	7,803,017.92	4,541,348.70
Montana	1,538,908.82	1,281,269.85	1,294,459.86
Nebraska	502,392.48	1,474,977.84	1,009,775.23
Nevada	65,112.40	276,392.79	2,175,028.65
New Hampshire	775,905.97	899,448.32	812,840.72
New Jersey	5,030,912.00	143,842.00	4,117.00
New Mexico	0	0	0
New York	12,842,632.00	9,916,012.00	9,339,778.00
North Carolina	4,530,423.00	4,714,589.00	7,392,083.00
North Dakota	896,162.06	620,700.44	476,702.67
Ohio	6,858,605.00	6,858,605.00	6,773,562.00
Oklahoma	2,540,771.10	2,320,514.07	1,193,435.63
Oregon	1,109,536.00	1,642,846.33	1,020,490.96
Pennsylvania	2,138,876.83	1,733,185.18	1,781,980.73
Rhode Island	859,495.64	196,365.90	1,339,574.70
South Carolina	2,392,535.29	2,315,590.40	2,279,377.00
South Dakota	1,996,928.47	573,514.78	1,765,831.43
Tennessee	3,211,638.35	2,161,580.31	1,519,477.87
Texas	17,222,270.82	13,680,765.93	9,754,310.11
Utah	−30,240.62	83,489.08	116,520.09
Vermont	0	0	0
Virginia	1,561,569.00	1,804,992.00	3,412,329.92
Washington	1,556,759.93	649,197.25	2,280,643.14
West Virginia	0	713,917.00	41,097.00
Wisconsin	3,872,858.70	899,648.48	4,427,545.59
Wyoming	487,993.00	1,477,222.00	1,104,907.00
Total	138,734,431.64	147,452,671.03	137,103,799.14

INTERSECTION SAFETY

Question. Intersection safety due to cooperative efforts of FHWA, AASHTO, and ITE has been identified as another anticipated accomplishment. Will State and local governments also be involved in this cooperative effort? Could you provide specific examples as to how intersection safety will actually be accomplished in order to make intersections safer for pedestrians and bicyclists?

Answer. State and local governments have been involved in the intersection safety effort from the beginning. State and local transportation and safety professionals played a major role in developing the National Intersection Safety Agenda that guides Federal, State and local efforts to improve intersection safety. Now they are actively involved in implementing the Agenda. For example, an intersection safety workshop for State and local professionals was developed with the active participation of State, local and private sector transportation and safety professionals.

Another example of State participation in the intersection safety effort is the research study on the "Safety Effectiveness of Intersection Left- and Right-Turn Lanes." Ten States—Iowa, Illinois, Louisiana, Minnesota, Montana, Nebraska, New Jersey, North Carolina, Oregon, and Virginia—and the District of Columbia provided research funds and participated in the study. Accurate estimates of the safety impacts of dedicated intersection turning lanes were developed over 6 years. Rural left-turn lanes reduced crashes by 15 percent to 50 percent. Urban left-turn lanes reduced crashes by 10 percent to 50 percent. Crashes related to left turns are one of the common safety problems at intersections.

FHWA is pursuing several strategies to make intersections safer for pedestrians and bicyclists. Local governments and Metropolitan Planning Organizations are participating in three FHWA demonstration projects to test and evaluate innovative countermeasures at intersections and to market the results to other State and local governments. Training for State and local engineers and planners in how to safely accommodate pedestrians and bicyclists at intersections is needed. FHWA will work with its safety partners to develop and promote workshops, conferences and meetings as well as training materials. To educate young engineers, teaching materials will be developed for university professors so they can incorporate pedestrian and bicycle safety into their intersection design and planning curriculum for undergraduate and graduate students. FHWA is developing more partnerships with State and local governments, academia, and private sector organizations to accelerate the development of expert tools to identify pedestrian and bicyclist safety problems and potential solutions.

PEDESTRIAN AND BICYCLIST SAFETY AT INTERSECTIONS

Question. The budget states that "more consideration will be given to the safety of motorists, pedestrians, bicyclists, workers and those persons with disabilities in the planning, design and use of transportation facilities; and roadway users will have a better awareness of pedestrians and bicyclists." Does "consideration" also mean that proactive steps will be taken to actually improve the safety conditions? If so, what steps will be taken and/or what steps are planned? How will roadway users gain a greater awareness of pedestrians and bicyclists?

Answer. FHWA has taken specific steps to improve the safety of all roadway users including vulnerable populations such as older drivers and pedestrians. FHWA has been proactive in researching older road users' needs and capabilities and identifying highway changes that can improve their safety in using the transportation system. FHWA developed the "Highway Design Handbook for Older Drivers and Pedestrians" with guidelines that identify design, operational and traffic engineering enhancements to roadway features that pose safety risks for older road users, such as intersections. These recommendations make our roads safer and easier to use for older drivers and pedestrians and all roadway users. To accelerate implementation of the guidelines, FHWA developed a workshop for Federal, State and local practitioners to communicate the results of its research on older road users and the safety benefits of the older driver and pedestrian guidelines. Four hundred and forty-seven practitioners have attended workshops in 39 States. A survey of the participants indicates that 54 percent of the respondents have designed or changed their facilities to accommodate older road users.

To increase road user awareness of pedestrian and bicyclist safety needs, FHWA is marketing pedestrian and bicyclist safety awareness products to State and local governments and private sector safety organizations. Interactive tools such as "Safer Journey" increase road user knowledge of pedestrian and bicyclist safety problems and solutions. Seven States have decided to provide copies of the "Safer Journey" CD to all of their elementary schools to increase awareness of pedestrian and bicyclist safety. English and Spanish pedestrian safety materials for television, radio,

and print media are being developed as part of a national campaign to raise awareness. FHWA is developing pedestrian safety materials targeted to specific populations including Hispanics and Native Americans. FHWA is also expanding its partnerships with State and local agencies and private sector safety organizations to accelerate the marketing and distribution of these pedestrian and safety materials.

STATE STRATEGIC HIGHWAY SAFETY PLANS

Question. FHWA plans to encourage State departments of transportation to adopt a strategic highway safety plan and a comprehensive safety planning process. As part of this process, will FHWA also encourage States to allow Metropolitan Planning Organizations to participate and integrate them as part of their overall budget? Are there any States that currently have either a highway safety plan or a comprehensive safety planning process? If so, could you please provide a list of those?

Answer. The collaborative process for developing a strategic highway safety plan requires States to include major State and local stakeholders. As major stakeholders at the local level, Metropolitan Planning Organizations would be expected to participate in the process. State and local agencies and organizations participating the process are required to share information and assist in the analysis of safety data to produce a strategic highway safety plan. The development of the plan would not require changes in the planning processes, plans or programs of other State or local agencies. An informal survey indicates that at least 20 States and the District of Columbia have some sort of a comprehensive safety plan. The 20 States are California, Colorado, Florida, Illinois, Kentucky, Louisiana, Maryland, Michigan, Maine, Mississippi, North Carolina, Nebraska, New Jersey, New York, Oregon, Pennsylvania, Texas, Utah, Washington, and Wyoming.

CONGESTION MITIGATION

Question. FHWA has stated its capability to identify and mitigate causes of highway congestion. However, the portion of travel that occurred under congested conditions has increased each year. The short-term goal appears to be slowing the annual rate of increase to 32.3 percent in fiscal year 2004. What specific actions will FHWA take in 2003 to achieve this goal?

Answer. FHWA knows from surveys that traffic congestion, particularly that associated with unexpected and non-recurring events such as work zones and incidents, is aggravating Americans. And the agency knows from these surveys what matters most to highway users is the reliability of the system. FHWA has designated congestion mitigation as one of its "vital few" goal areas. Traffic congestion is influenced by a number of factors outside the influence of the transportation sector, such as population increases and land use decisions, but there are a number of areas where FHWA can make a significant difference in terms of mitigating traffic congestion levels. Solutions to traffic congestion include building additional highway capacity (new facilities, added lanes, removing bottlenecks, etc.), better managing peak demands, and squeezing the highest level of performance out of existing capacity by effectively managing the highway system in a customer-focused, performance-based, proactive, real-time manner. While FHWA has a number of initiatives underway that focus on this last concept, the following five likely will have the greatest long-term impact:

1. To date FHWA has not had a means of measuring how well the operation of the highway system is being managed. In the last 2 years, FHWA has developed and tested a system reliability index in 21 cities that it calls the "buffer index" (the amount of time added to your trip because of system unreliability). FHWA hopes that this measure eventually becomes as well known as (say) the temperature humidity index and helps cities gauge how well they are doing in responding to incidents, managing their work zones, and responding to the negative effects of adverse weather. FHWA will repeat the measurement in up to 10 additional cities both this year and in fiscal year 2004, while it continues to build support for use of reliability and other appropriate performance measures in system monitoring and decision-making.

2. FHWA will continue a major program focus on reducing delays caused by work zones by emphasizing the concept of "getting in, getting out and staying out." Current and fiscal year 2004 program activities will be focused on consideration of work zone impacts in the planning process, innovative design and construction techniques, traffic control planning, and use of performance measures.

3. FHWA will continue to build the foundation of a national traffic incident management organization, and develop and share detailed information, technical guidance and training on procedures to develop effective incident management programs

and effectively respond to traffic incidents. The overall focus of these efforts is to reduce the time required to detect, respond to, and clear traffic incidents, which should result in a significant improvement in the congestion that they cause.

4. Half the battle of mitigating the real and perceived impacts of traffic congestion on system users is giving people accurate and complete information. FHWA is in the process of helping to facilitate deployment of the 511 national travel information telephone numbers in cities and States across the United States. Currently about 14 percent of the U.S. population has access to high quality 511 services, with access expected to increase to about 25 percent by the end of 2003. FHWA's fiscal year 2004 goal is to reach 35 percent of the U.S. population.

5. Finally, it is difficult to effectively manage the transportation system to mitigate traffic congestion in a culture that is still very much focused on developing and delivering construction projects. FHWA is continuing a significant program focus begun in fiscal year 2002 that seeks to encourage and incentivize regional collaboration and coordination among transportation system operators and public safety agencies at all levels of government. Use of the techniques developed in this program area will result in more extensive and more effective implementation of regional operations strategies such as regional traffic incident management programs, regional traveler information services, inter-jurisdictional coordination of traffic signals and regional emergency planning and response.

BORDER PLANNING, OPERATION AND TECHNOLOGY PROGRAM

Question. The Border Planning, Operations and Technology (BPOT) program funds can be used for multimodal planning that results in improvements in freight movement and highway access to rail, marine and air services. Can this money be used for actual multimodal improvements or simply multimodal planning?

Answer. The BPOT funds can be used for an improvement at or near a land border with Canada or Mexico if the improvement is needed for operational enhancements or technology applications.

AREAS CURRENTLY ELIGIBLE FOR CMAQ FUNDING

Question. Please identify the areas currently eligible for CMAQ funding.

Answer. CMAQ funding must be used within non-attainment and maintenance areas if any exist within the State. If a State has no non-attainment or maintenance areas, it may use its CMAQ apportionment anywhere in the State on projects eligible under either the CMAQ or the Surface Transportation Programs.

FISCAL YEAR 2003 CMAQ-ELIGIBLE NON-ATTAINMENT MAINTENANCE AREAS—STATE AND COUNTY

STATE—Nonattainment/Maintenance Area Name	COUNTY—Nonattainment/Maintenance Area Name
ALABAMA: Birmingham	Jefferson, Shelby
ALASKA:	
Anchorage	Anchorage
Fairbanks	Fairbanks
ARIZONA: Phoenix	Maricopa
ARKANSAS	Anywhere
CALIFORNIA:	
Chico-Paradise	Butte
Los Angeles	South Coast Air Basin, Los Angeles, Orange, Riverside, San Bernadino
Sacramento Metro	El Dorado, Placer, Solano, Sutter, Sacramento, Yolo
San Diego	San Diego
San Joaquin Valley	Fresno, Kern, Kings, Madera, Merced, San Joaquin Valley, Stanislaus, Tulare
Santa Barbara-Santa Maria-Lompoc	Santa Barbara
Ventura Co	Ventura
Monterey Bay	Monterey, San Benito, Santa Cruz
San Francisco Bay Area	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Sonoma
COLORADO:	
Colorado Springs	El Paso, Teller
Denver-Boulder-Greeley	Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson
Fort Collins	Larimer
Longmont	Weld

FISCAL YEAR 2003 CMAQ-ELIGIBLE NON-ATTAINMENT MAINTENANCE AREAS—STATE AND COUNTY—Continued

STATE—Nonattainment/Maintenance Area Name	COUNTY—Nonattainment/Maintenance Area Name
CONNECTICUT:	
Greater Connecticut	Hartford, Middlesex, New Haven, New London, Tolland, Windham
New York-New Jersey-Long Island	Fairfield, Litchfield
DELAWARE:	
Philadelphia-Wilmington-Atlantic City	Kent, New Castle
Sussex	Sussex
DISTRICT OF COLUMBIA: Washington, DC–MD–VA	DC
FLORIDA:	
Miami-Ft Lauderdale-W. Palm Beach	Broward, Miami Dade, Palm Beach
Tampa-St. Petersburg-Clearwater	Hillsborough, Pinellas
GEORGIA: Atlanta	Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Paulding, Rockdale
HAWAII	Anywhere
IDAHO	Anywhere
ILLINOIS:	
Chicago-Gary-Lake County	Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Will
St. Louis, MO	Madison, Monroe, St. Clair
Jersey Co	Jersey Co
INDIANA:	
Chicago-Gary-Lake County	Lake, Porter
Evansville	Vanderburgh
Louisville, KY–IN	Clark, Floyd
Indianapolis	Marion
South Bend-Elkhart	Elkhart, St. Joseph
IOWA	Anywhere
KANSAS: Kansas City KS–MO	Johnson, Wyandotte
KENTUCKY:	
Cincinnati-Hamilton	Boone, Campbell, Kenton
Edmonson	Edmonson
Louisville, KY–IN	Bullitt, Jefferson, Oldham
Huntington-Ashland	Boyd, Greenup
Lexington-Fayette	Fayette, Scott
Owensboro	Daviess, Hancock
Paducah	Livingston, Marshall
LOUISANA:	
Baton Rouge	Ascension, E. Baton Rouge, Iberville, Livingston, W. Baton Rouge
Lake Charles	Calcasieu
Point Coupee	Point Coupee
MAINE:	
Hancock & Waldo	Hancock, Waldo
Knox & Lincoln	Knox, Lincoln
Lewiston & Auburn	Androscoggin, Kennebec
Portland	Cumberland, Sagadahoc, York
MARYLAND:	
Baltimore	Anne Arundel, Baltimore County, Baltimore City, Carroll, Harford, Howard
Kent-Queen Anne's	Kent, Queen Anne's
Philadelphia-Washington-Trenton, PA–NJ–DE–MD	Cecil
Washington, DC–MD–VA	Calvert, Charles, Frederick, Montgomery, Prince George's
MASSACHUSETTS:	
Boston-Lawrence-Worcester	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk, Worcester
Springfield (Western MA)	Berkshire, Franklin, Hampden, Hampshire
MICHIGAN:	
Detroit-Ann Arbor	Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
Grand Rapids	Kent, Ottawa
Muskegon	Muskegon
MINNESOTA:	
Minneapolis-St. Paul	Anoka, Carver
Dakota	Hennepin, Ramsey, Scott, Washington, Wright

FISCAL YEAR 2003 CMAQ-ELIGIBLE NON-ATTAINMENT MAINTENANCE AREAS—STATE AND COUNTY—Continued

STATE—Nonattainment/Maintenance Area Name	COUNTY—Nonattainment/Maintenance Area Name
Duluth	St. Louis
MISSISSIPPI	Anywhere
MISSOURI:	
St Louis	Franklin, Jefferson, St. Charles, St. Louis City, St. Louis County
Kansas City	Clay, Jackson, Platte
MONTANA: Missoula	Missoula
NEBRASKA	Anywhere
NEVADA:	
Reno	Washoe
Las Vegas	Clark
NEW HAMPSHIRE:	
Boston-Lawrence-Worcester, NH–MA	Hillsborough, Rockingham
Manchester	Merrimack
Portsmouth-Dover-Rochester	Strafford
NEW JERSEY:	
Allentown-Bethlehem-Easton	Warren
Atlantic City	Atlantic
New York-New Jersey-Long Island	Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union
Philadelphia-Wilmington-Trenton	Burlington, Camden, Cumberland, Gloucester, Mercer, Salem
NEW MEXICO:	
Sunland Park	Dona Ana
Albuquerque	Bernalillo
NEW YORK:	
Albany-Schenectady-Troy	Albany, Greene, Montgomery, Rensselaer, Saratoga, Schenectady
Buffalo-Niagara Falls	Erie, Niagara
Essex	Essex
Jefferson	Jefferson
New York-New Jersey-Long Island	Bronx, Kings, Nassau, New York, Orange, Queens, Richmond, Rockland, Suffolk, Westchester
Poughkeepsie	Dutchess, Putnam
Syracuse	Onondaga
NORTH CAROLINA:	
Charlotte-Gastonia	Gaston, Mecklenburg
Greensboro-Winston-Salem-High Point	Davidson, Davie, Forsyth, Guilford
Raleigh-Durham	Durham, Granville, Wake
NORTH DAKOTA	Anywhere
OHIO:	
Cincinnati-Hamilton	Butler, Clermont, Hamilton, Warren
Canton-Masillon	Stark
Cleveland-Akron-Lorain	Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Summit, Columbus, Delaware, Franklin, Licking
Dayton-Springfield	Clark, Greene, Miami, Montgomery
Toledo	Lucas, Wood
Youngstown-Warren-Sharon	Mahoning, Trumbull
OKLAHOMA	Anywhere
OREGON:	
Portland-Vancouver-Salem	Clackamas, Multnomah, Washington
Grants Pass	Josephine
Kalmath Falls	Kalmath
Medford	Jackson
PENNSYLVANIA:	
Allentown-Bethlehem-Easton	Carbon, Lehigh, Northampton
Altoona	Blair
Erie	Erie
Johnstown	Cambria, Somerset
Harrisburg-Lebanon-Carlisle	Cumberland, Dauphin, Lebanon, Perry
Lancaster	Lancaster
Philadelphia-Wilmington-Atlantic City PA–DE–NJ–MD	Bucks, Chester, Delaware, Montgomery, Philadelphia
Pittsburgh-Beaver Valley	Allegheny, Armstrong, Beaver, Fayette, Washington, Westmoreland

FISCAL YEAR 2003 CMAQ-ELIGIBLE NON-ATTAINMENT MAINTENANCE AREAS—STATE AND COUNTY—Continued

STATE—Nonattainment/Maintenance Area Name	COUNTY—Nonattainment/Maintenance Area Name
Reading	Berks
Scranton-Wilkes-Barre	Columbia, Lackawanna, Luzerne, Monroe, Wyoming
York	Adams, York
Youngstown-Warren-Sharon	Mercer
RHODE ISLAND: Providence (All RI)	Bristol, Kent, Newport, Providence, Washington
SOUTH CAROLINA	Cherokee
SOUTH DAKOTA	Anywhere
TENNESSEE:	
Knoxville	Knox
Memphis	Shelby
Nashville	Davidson, Rutherford, Sumner, Williamson, Wilson
TEXAS:	
Beaumont-Port Arthur	Hardin, Jefferson, Orange
Dallas-Fort Worth	Collin, Dallas, Denton, Tarrant
El Paso, TX	El Paso
Houston-Galveston-Brazoria	Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller
UTAH:	
Salt Lake City-Ogden	Davis, Salt Lake
Ogden	Weber
Provo-Orem	Utah
VERMONT	Anywhere
VIRGINIA:	
Norfolk-Virginia Beach-Newport News	Chesapeake City, Hampton City, James City County, New Port News City, Poquoson, Suffolk City, Williamsburg City, York
Richmond	Charles City Co., Chesterfield, Colonial Heights City, Hanover, Henrico, Hopewell City, Richmond City
Baltimore-Washington, DC–MD–VA–WV	Alexandra City, Arlington, Fairfax, Fairfax City, Falls Church City, Loudoun, Manassas City, Manassas Park City, Prince William, Stafford
Smyth	Smyth
WASHINGTON:	
Portland-Salem	Clark
Seattle-Tacoma	King, Pierce, Snohomish
Spokane	Spokane
WEST VIRGINIA:	
Charleston	Kanawha, Putnam
Greenbrier	Greenbrier
Huntington-Ashland	Cabell, Wayne
Parkersburg-Marietta, WV–OH	Wood
WISCONSIN:	
Green Bay-Appleton	Door
Manitowoc	Manitowoc
Milwaukee-Racine	Kenosha, Milwaukee, Ozaukee, Racine, Washington, Waukesha
Kewaunee	Kewaunee
Sheboygan	Sheboygan
Walworth	Walworth
WYOMING	Anywhere

ECOSYSTEM AND HABITAT CONSERVATION INITIATIVES

Question. The budget states an intention to increase the number of exemplary ecosystem and habitat conservation initiatives from 8 to 10 in fiscal year 2004 with the long-term goal of 30 initiatives in at least 20 States or Federal Lands divisions by fiscal year 2007. Could you identify the 8 existing initiatives where FHWA plans to implement the additional two in fiscal year 2004 and what, if any, new initiatives will be attempted?

Answer. There are currently five initiatives that have been designated to-date. These five initiatives are:

Colorado Department of Transportation's Shortgrass Prairie Initiative

The Colorado Department of Transportation's (CDOT) Shortgrass Prairie Initiative is a programmatic consultation and proactive avoidance, minimization, and mitigation effort covering 36 listed and non-listed species and associated habitats that could be impacted by CDOT's maintenance and construction activities on Colorado's prairie over the next 20 years.

Montana Department of Transportation's US 93 Agreement

The new highway was designed with the idea that the road is a visitor and should respond to and be respectful of the land and Spirit of Place. Montana DOT, FHWA, and the Confederated Salish-Kootenai Tribes reached a shared vision of the road's interaction with the environment and Tribal culture.

North Carolina's Ecosystem Enhancement Program

In order to deal with a rapidly expanding transportation program that will impact an estimated 6,000 acres of wetlands and a million feet of streams over the next 7 years, the North Carolina Department of Transportation, the United States Army Corps of Engineers, and the North Carolina Department of Environment and Natural Resources are designing an Ecosystem Enhancement Program to protect the State's natural resources.

Oregon DOT's Fish Friendly Maintenance Practices

The Oregon DOT has developed a Geographic Information System-based sensitive resource inventory along nearly 6,000 miles of State highway as part of its Salmon Resources and Sensitive Area Mapping Project. The primary purpose of the project is to provide accurate resource protection maps to roadway maintenance crews so that mowing, pesticide application, and other activities do not harm listed salmon species and other sensitive resources.

Washington DOT's Watershed Approach to Mitigation Setting

This watershed approach is a community based environmental decision making process that uses watersheds as functional systems, coordinating and integrating human activities to implement watershed recovery efforts and to prevent further degradation of natural resources within the watershed basin. A key component of the Washington DOT's watershed approach is the targeting of mitigation funds to sites offering greatest ecological benefits.

Detailed information on these five initial initiatives (established in fiscal year 2002) is available on the FHWA website at: http://www.fhwa.dot.gov/environment/strmlng/bestprac.htm.

Three additional initiatives are being examined and will be implemented by the close of fiscal year 2003. These initiatives include:

Nevada—Regional Wetland Bank

Constructed by the Nevada DOT, this project is on public land, within sight of a major highway, has public hunting, wildlife viewing platforms, long-term monitoring, extensive irrigation rights and control structures and support from agencies. It has been very successful over a 6–10 year period. It was built as a regional bank for projects between Reno and Gardnerville.

Arizona—State Route 260 Wildlife Measures

This project in Arizona involves area-wide habitat connectivity monitoring and measures for wildlife passage. The project is just below the Mogollon Rim. This area has one of the highest wildlife-vehicle (primarily elk) collision rates in the State. The Arizona DOT is in the process of building 17 sets of bridges along 17 miles of highway to allow wildlife permeability underneath the highway based on extensive habitat studies interagency coordination. The Arizona Game and Fish Department has been given the task of monitoring the effectiveness of these structures. Monitoring will compare the differences in bridge design based on the number of animals and how readily they use them.

New Hampshire—Route 101 Mitigation Program

The mitigation plan was developed for the New Hampshire DOT project to improve 17.6 miles of NH Route 101 from Epping to Hampton. This is a multi-faceted program with measures to minimize impacts to existing wetland resources, restore estuarine marsh, protect upland habitat, maintain water quality, preserve and study historic and archeological sites, minimize highway noise and create replacement wetlands.

FHWA has identified several additional initiatives as possibilities for 2004 and beyond:

—Iowa—the State DOT's living roadside and prairie restoration program;
—California—several land-use/transportation/conservation planning initiatives;
—Alaska—highway culvert replacement program to improve fish passage;
—Arizona—Desert bighorn habitat study and conservation plan relative to the US 93 upgrade.

CONTEXT SENSITIVE SOLUTIONS

Question. In 2004, the budget proposes to establish a baseline of best practices for integrated planning and encourage 11 States to adopt context sensitive solutions (CSS). Have those 11 States been identified and what will their participation require?

Answer. FHWA is advocating the advancement of context sensitive solutions (CSS) and integrated approaches to the planning and environmental process as part of its Environmental Vital Few Goal. As a baseline for CSS, FHWA selected the five States (Connecticut, Kentucky, Maryland, Minnesota, and Utah) that were selected in 1998 as Context Sensitive Design (CSD)/CSS pilot States.

FHWA is currently finalizing the criteria that will be used to identify additional States that have adopted CSS. The criteria under consideration include the following:

—Some projects are being implemented using a CSS approach, tools, and methodologies.
—Technical staff is trained in a CSS approach, both in field and central offices, and across disciplines (planning, environment, design, right-of-way, operations, and maintenance).
—Interdisciplinary teams are involved in the process from the beginning to the end.
—There is early, continuing, and interactive public involvement throughout the project development process.
—There is a written commitment or policy.

Following finalization of the criteria, FHWA anticipates identifying a minimum of three additional CSS States by the close of fiscal year 2003. The fiscal year 2004 target for CSS is to increase the total number of CSS States to 11, although FHWA has not yet identified the additional States that will allow the agency to reach its fiscal year 2004 target.

STRATEGIC HIGHWAY NETWORK

Question. The budget requests $4.6 million to coordinate military and civilian traffic needs in emergencies focusing on the Strategic Highway Network. Please provide an accounting of exactly how FHWA plans to spend this $4.6 million.

Answer. The $4.6 million requested is to support security activities that are much broader than just the Strategic Highway Network (STRAHNET). The STRAHNET system (a portion of the National Highway System) supports military deployment and is in good structural and operational condition.

DOT works with the Department of Defense (DOD) to improve mobilization effectiveness, and to help State and local transportation agencies safely and securely sustain vital traffic flows. Approximately $2.3 million of the funds will be used to support and improve military deployment including: (1) workshops with civilian and military authorities at the major deployment "forts"; (2) development and distribution of a best practices guide for support of military deployment; (3) specific reviews of one or more of the "fort-to-port" routes at the major military platforms; and (4) coordination with DOD to facilitate rapid mobilization over the highway network and to minimize disruption to traffic during the mobilization.

The remaining $2.3 million will be used for a broad array of security initiatives, the more significant of which include: (1) coordination with highway industry partners to implement the Transportation Security Administration's (TSA) proposed security standards regarding protection of critical infrastructure; (2) transportation-focused emergency response preparedness activities for natural disasters, accidental incidents involving hazardous materials, and intentional acts in metropolitan areas designated by the Department of Homeland Security (DHS) as being at greatest risk; and (3) internal agency initiatives to ensure continuity of operations preparedness for emergencies. The emergency response activities are fully coordinated with DHS units including FEMA, TSA, etc., the National Academy of Sciences, and the American Association of State Highway and Transportation Officials (AASHTO).

MEGA PROJECTS OVERSIGHT

Question. The Department has identified and initiated steps to improve oversight of mega projects by developing a comprehensive, standard approach. What is the

new comprehensive, standard approach that will be applied to all mega projects? How is it different than previous oversight requirements, and how does the Department envision that this new approach will improve mega project planning and construction?

Answer. Beginning in May 2000, FHWA issued its Financial Plan Guidance defining the content and format of the Financial Plans as required by Section 1305 of TEA–21, for all highway projects with an estimated total cost of $1.0 billion or more. The Financial Plan provides a comprehensive document reflecting the total cost of the project, and provides reasonable assurances that there will be sufficient financial resources to complete the project as planned. Cost containment strategies are also identified in the Financial Plans, as well as an implementation schedule for completing the project. Annual updates are required to track significant cost and schedule deviations from the initial Financial Plan, and mitigative actions taken to adjust for those deviations. A provision in the SAFETEA reauthorization proposal would make Financial Plans a requirement for all highway projects receiving $100 million or more in Federal-aid funds.

As a standard operating procedure, major (mega) projects produce periodic (usually monthly) cost, schedule, and status reports; and periodic status meetings are held with the State Transportation Agency's project management team, FHWA, and other involved agencies in attendance. The periodic status meetings discuss project costs, schedules, quality issues, and other status items in sufficient enough detail to allow involved parties to be aware of significant issues and actions planned to mitigate any adverse impacts.

FHWA is committed to assigning a designated Oversight Manager to each active major project, dedicated full-time to that specific major project. The Oversight Manager may draw upon resources from within his/her Division Office, in order to form an integrated project team that is responsible for providing proper Federal stewardship and oversight of the major project. Core competencies and training resources have been established for the major project Oversight Managers. A web-based resource manual has also been completed in order to provide guidance, tools, and best practices to assist the Oversight Managers in effectively carrying out their duties.

An active major projects monthly status reporting system has been implemented in conjunction with the Department's Office of Inspector General (OIG). The assigned Oversight Managers are responsible for updating the critical issues and risks (schedule, cost, funding, legal, contractual, and technical) on a monthly basis, with the consolidated report forwarded to FHWA upper management and the OIG.

The sharing of best practices and lessons learned among the major projects are accomplished via annual Oversight Managers meetings, semi-annual newsletters, and the Central Artery/Tunnel Project's Innovations and Advancements workshop.

Project Management Plans are strongly encouraged from a best practices point of view, in order to clearly define the roles, responsibilities, processes, and activities that will result in the major project being completed on-time, within budget, with the highest degree of quality, in a safe manner, and in a manner in which the public trust, support, and confidence is maintained. A provision in the SAFETEA reauthorization proposal would make Project Management Plans a requirement for all highway projects with an estimated total cost of $1.0 billion or more.

All of these initiatives have been implemented within the last 3 years and have expanded the Federal stewardship and oversight of major project planning and construction.

"AT-RISK" MEGA PROJECTS

Question. The budget discusses plans to designate mega projects with significant deviations from cost and schedule baselines as "at-risk." Does this designation carry with it any additional requirements or Federal oversight? Please identify mega projects currently underway that, under this new plan, would receive an "at-risk" designation?

Answer. Major (mega) projects designated "at-risk" would trigger certain special conditions or restrictions, until the recipient of Federal funds addresses identified issues in an approved recovery plan. These special conditions may include withholding of authority to proceed to the next phase of the project; requiring additional, more-detailed cost, schedule, or financial reports; requiring the recipient to obtain technical or management assistance; establishing additional prior approvals; requiring more direct on-site inspection of the project by Department personnel; and/or follow-up reporting on a periodic basis until the Department removes the designation.

The Boston Central Artery/Tunnel project was designated "at-risk" in 2000 after several investigations and project reviews indicated significant rising costs. The I–95/I–495 Springfield Interchange project, though not officially designated "at-risk,"

was required to begin submitting Financial Plans due to rising costs, even though the total cost of the project is still well under $1.0 billion. None of the other 12 identified active major projects have thus far experienced significant cost or schedule deviations.

SR 210/FOOTHILL FREEWAY ADDITIONAL FTE

Question. The FHWA budget lists the FTE requirements for mega project oversight; however, the SR 210/Foothill Freeway, CA project has no staff listed for fiscal year 2004. Given that all mega projects will receive improved oversight, why then are no FTE requested for this particular project?

Answer. The SR 210/Foothill Freeway project is on schedule and within budget; therefore, no Financial Plans and annual updates, and hence additional FTEs to provide project oversight, are required for this project. With a substantial portion of the project already completed, the California Division office is able to conduct adequate oversight of this major project with existing staff.

ENVIROMENTAL STREAMLINING

Question. The budget requests $20.8 million to support transportation research dealing with environmental streamlining which focuses on long-term and preemptive measures designed to streamline the environmental impact review process and procedures. What environmental streamlining measures have been implemented thus far and what measures are being researched that would lead to greater environmental streamlining efforts in the future? Please provide a detailed breakdown of how the requested $20.8 million will be spent.

Answer. FHWA has been pursuing environmental streamlining measures on multiple fronts, some national in scope, some regional or State-specific in scope. These measures implement Congressional direction from Section 1309 of TEA–21, and have been implemented in the context of Executive Order 13274 and FHWA's Vital Few performance planning effort. The following describes some of FHWA's accomplishments to-date.

Solidifying Interagency Partnerships

Field level environmental summits.—The FHWA Eastern, Southern, and Western Resource Centers held regional conferences, bringing together representatives from Federal, State, and local transportation, planning, and resource agencies, local governments, Metropolitan Planning Organizations (MPOs), transportation and environmental organizations, tribes, and consultants to discuss relevant issues and identify opportunities for improvement. Results of the summits were distributed via the Successes in Streamlining Monthly Newsletter (September 2002). The sharing of solutions and integration of efforts found within each regional conference advances streamlining through an emphasis on process improvements.

Interagency training on environmental streamlining.—The Federal interagency workgroup has collaborated in organizing a series of environmental streamlining workshops aimed at getting field staff of each Federal agency aligned with the national agenda. FHWA sponsored a multi-agency workshop in 1999 and agency-specific workshops with the U.S. Army Corps of Engineers (2001), Environmental Protection Agency (2002) and Fish and Wildlife Services/National Oceanic and Atmospheric Administration (2003). These workshops have been a good forum for sharing the national vision, identifying issues that cause interagency conflict, and sharing innovative practices from around the country. Furthermore, they have promoted the concepts of coordination and process efficiencies in the environmental review of transportation projects.

Institutionalizing Dispute Resolution

Partnership with Institute for Environmental Conflict Resolution (IECR).—The 1998 Environmental Policy and Conflict Resolution Act created IECR, which is part of the Morris K. Udall Foundation. IECR helps Federal agencies and other involved parties manage and resolve Federal environmental, natural resource, and public lands disputes by providing services such as case consultation, conflict assessment, process design, facilitation, and mediation. FHWA partnered with IECR to meet the mandate set forth in Section 1309(c) of TEA–21 to create dispute resolution procedures as part of a national environmental streamlining initiative. FHWA and IECR have been working effectively together since 1999 to develop and implement the four components of the dispute resolution system, described below. The dispute resolution system is intended to assist the agencies to quickly and effectively focus on the pertinent project issues, save time, and avoid the costs of potential litigation.

Roster of qualified neutral facilitators.—As part of the FHWA/IECR collaborative partnership, a transportation roster was created that is comprised of dispute resolu-

tion professionals with experience in NEPA and transportation projects. The roster is managed by the U.S. Institute for Environmental Conflict Resolution, with financial support by FHWA to help cover administrative costs. These professionals can provide services such as conflict assessment, facilitation of interagency partnering agreements, design of conflict management processes, and mediation of disputes. Project sponsors contact IECR to access the transportation roster, and then negotiate contracts and pay for the costs of the transportation roster members' services directly. Recently, FHWA and transportation sponsors have used the transportation roster to provide facilitators for three of the priority projects designated under Executive Order 13274.

Guidance on interagency conflict management.—This FHWA guidance offers a range of optional tools agencies can use to manage conflicts and resolve disputes during the transportation project development and environmental review processes. It also constitutes the key reference document used in the interagency workshops described below.

Interagency conflict management workshops.—The FHWA dispute resolution system includes a series of customized facilitated interagency workshops in each of the 10 standard Federal regions. The workshops were developed during 2002 and will be held from May to December 2003. Skills gained at the workshops will help practitioners from the various agencies to better identify environmental review issues, negotiate time frames and work through disagreements using interest based negotiating.

Supporting State Environmental Streamlining Efforts

American Association of State Highway and Transportation Officials (AASHTO) "Center for Environmental Excellence."—AASHTO launched the Center in 2002 with technical and financial assistance provided by FHWA. The Center's mission is to assist AASHTO's member organizations with implementing environmental stewardship into their various practices and procedures, and promoting innovative streamlining of the project delivery process. AASHTO expects that the results of this assistance will be beneficial to State transportation agencies and also supportive of FHWA's work in protecting and enhancing the environment.

Individual State environmental streamlining initiatives.—FHWA has partnered with well over half of the State departments of transportation in advancing their own environmental streamlining efforts. Notable examples include Florida's Efficient Transportation Decisionmaking effort, and Texas' I–69 interagency partnering effort.

Environmental Streamlining Research.—The funds requested in fiscal year 2004 to support transportation research dealing with environmental streamlining (ES) will be used for the following activities:

Assistance to State and Field Office Initiatives

—Support for State DOT ES efforts
—AASHTO Center for Environmental Excellence
—FHWA field office initiatives to enhance interagency coordination

National ES Initiatives

—Dispute resolution facilitation and training
—Performance evaluation systems and studies
—Integrated approaches promotion & training
—Information sharing on ES
—Policy Research.

FTE DISTRIBUTION

Question. The FHWA budget requests 12 new FTE. Specifically where will these new FTE be utilized?

Answer. The 12 new FTE that are requested in fiscal year 2004 will be utilized as Mega-Project Oversight Managers to enhance major projects oversight and fulfill FHWA's commitment of having a dedicated oversight project manager on each mega-project. They will: represent FHWA before other Federal agencies, State Transportation Agencies (STA), local agencies, consultants, and contractors on all project delivery and oversight issues; be responsible for overseeing the review and approval of plans, specifications and cost estimates; and ensure that FHWA laws and requirements, such as Buy America, Davis-Bacon minimum wage rates, Disadvantaged Business Enterprise and affirmative action requirements, records of materials and supplies, etc., are incorporated in Federal-aid construction contracts. The table below provides a breakdown of the FTE Requirement for Active (and Future) Major Projects.

FISCAL YEAR 2004 FTE REQUIREMENT FOR ACTIVE (AND FUTURE) MAJOR PROJECTS

Projects	Status	Current Staffing Level	Fiscal Year 2004
I–80/San Francisco-Oakland Bay Bridge (East Span), CA	Active	1	1
SR 210/Foothill Freeway	Active		
I–25/I–225 Southeast Corridor, CO	Active	1	1
New Haven Harbor Crossing, CT	Active		1
Miami Intermodal Center, FL	Active		1
I–4/I–275 Tampa Interstate, FL	Active		1
New Mississippi River Bridge, IL-MO	Active		1
Central Artery/Ted Williams Tunnel, MA	Active	5	3
Central Texas Turnpike, TX	Active	1	1
I–10/Katy Freeway, TX	Active		1
I–95/Woodrow Wilson Bridge, MD	Active	2	2
I–95/I–495 Springfield Interchange, VA	Active	1	1
I–64/Hampton Roads Third Crossing, VA	Active		2
I–94/East-West Corridor, WI	Active		1
New Ohio River Bridges, KY-IN	Future		1
I–94/Edsel Ford Freeway, MI	Future		1
Mon/Fayette Expressway, PA	Future		1
I–635/LBJ Freeway (West Section), TX	Future		1
I–405 Corridor/SR 509 and I–5/SR520/Alaskan Way Viaduct, WA	Future		2
Totals		11	23

UPGRADING AND PROTECTING THE EXISTING INFORMATION RESOURCE MANAGEMENT INFRASTRUCTURE

Question. As part of the LAE, Federal Highways anticipated upgrading and protecting the existing Information Resource Management infrastructure. What does this anticipated upgrade involve and how much money will be required to specifically carry out this effort?

Answer. The anticipated upgrade includes: (1) establishment of a systematic replacement/refresh cycle for basic Information Resource Management (IRM) hardware; (2) additional contract services for IRM Security; and (3) upgrades and maintenance of IRM Security equipment. The total amount of money required to carry out this consolidated effort is $2.9 million.

The first effort is establishment of a systematic replacement/refresh cycle for basic IRM equipment, in particular, desktop computers, laptop computers, printers and networks. The Federal Highway Administration (FHWA) is not seeking to upgrade these categories of IRM hardware across the board. Rather, FHWA seeks to establish a standard replacement interval for each category of IRM hardware and then to replace hardware items only when their interval has elapsed. FHWA requests $1.2 million to carry out this effort.

The second effort is an increase in contract services for IRM Security. The additional contract services would be used to enable FHWA to complete certification and accreditation activities by the Department of Transportation's established deadline of December 2005 as well as to develop and implement the initial components of a continuous risk management process. FHWA requests $1.2 million to carry out this effort.

The third effort is to upgrade and maintain IRM Security equipment. In particular, the effort would involve purchasing the automated tools, software upgrades and associated maintenance necessary to actively look for, anticipate, and counteract threats and vulnerabilities before they are employed or exploited. These tools include, without limitation, intrusion detection systems, vulnerability scanners, incident response tools, incident tracking systems, anti-virus, file encryption, and secure remote access. FHWA requests $500,000 to carry out this effort.

QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

COMMERCIAL PASSENGER AIRCRAFT FUEL TANK SAFETY

Question. Mr. Secretary, I am advised that the Federal Aviation Administration has worked recently with Foamex International, Inc. of Linwood, Pennsylvania on identifying current fiscal year funding opportunities for important research concerning the safety of commercial passenger aircraft fuel tanks.

I was pleased to learn that Associate Administrator Charles Keegan and his staff are drafting a Cooperative Research Development Agreement to conduct tests that will help determine the effectiveness of using the company's Safety Foam for safety and security applications. Safety Foam is an advanced reticulated polyurethane foam material, which can be installed inside aircraft fuel tanks and can act as a 3-dimensional fire screen that prevents fire propagation due to internal ignition of fuel vapors.

Given the importance of maximizing the safety of such fuel tanks, I would appreciate your providing the Subcommittee with an update as to the timetable for entering into the Cooperative Agreement with Foamex International, the amount of fiscal year 2003 funds the agency is prepared to devote to this critical research, and any other relevant information on this specific subject you would like to share with us.

Answer. Working with Foamex International, the FAA has developed a Cooperative Research Development Agreement. The agreement was sent to Foamex for their signature on June 13, 2003.

The FAA has set aside $100,000 in fiscal year 2003 aircraft safety funds to support tests and evaluations to determine the potential effectiveness of the foam for commercial aviation applications.

At a June 10, 2003, meeting of fuel system and foam experts, including representatives from Foamex and others in the private sector, the FAA developed the preliminary proposal for a series of tests to explore the foam's feasibility in mitigating the effects of a simulated crash of an airplane and the spillage of a large amount of fuel. Foamex and FAA technical personnel have met to discuss and design a test plant. The parts necessary for the test have been ordered. Since they are rather unique and need to be specially fitted, the first "water only" test won't take place until mid-October.

QUESTIONS SUBMITTED BY SENATOR SAM BROWNBACK

SHORT LINE RAILROADS

Question. As I mentioned in my opening remarks, a particular concern that should be near the heart of many of us in this room is the fate of short line local freight railroads. These short lines account for roughly half the rail miles in Kansas. These lines gather tens of thousands of carloads of grain and start them on their way across the country and for export abroad.

However, government disincentives forced the prior owners of these light density lines to neglect investment in the infrastructure, and now the weight of loaded railroad cars are growing ever heavier. This has forced many of these light density lines to abandon operations. From 1980 to 1990 Kansas lost 862 miles of railroad to abandonment. From 1990 to 2000, Kansas lost 1,157 miles. In the last 2 years we have lost 357 miles.

In Kansas, when railroads go out of business it is very bad for highways. For example, Harper County, Kansas recently lost rail service and the increase in heavy trucks as a result does so much damage to the roads that the government can no longer afford to pave them—instead the once paved roads are being turned into unpaved gravel roads.

The Kansas DOT estimates that short line railroads, by removing heavy trucks from the highway, save roughly 17 cents in highway damage for every mile that a truck would otherwise travel. Seventeen cents a mile in Kansas amounts to $50,000,000 per year that K-DOT estimates are saved by the continued existence of these lines.

It seems to me Mr. Secretary that these numbers in terms of cost savings for our highway system are compelling. The more traffic we can get onto local railroads the less it costs to maintain our highways, not to mention the immeasurable cost in jobs and opportunities to communities that lose rail service.

Last Congress I supported legislation S. 1220 along with my colleagues Sen. Specter and Sen. Hollings that would have made $350 million per year available to help preserve freight service on these lines. What similar plans, if any, does the administration have to address the desperate need in every rail served State to preserve short line railroads?

Answer. The Administration has not proposed a new grant program as contained in S. 1220. There exists now a loan and loan guarantee program, the Railroad Rehabilitation and Improvement Financing (RRIF) Program, that offers financial assistance to meet these needs.

S. 788 CENTURY OF FLIGHT ACT

Question. While the aviation industry is currently suffering and revenue for the Airport and Airway Trust Fund has decreased recently, the FAA forecasts that growth in the airline industry is expected to return to near normal levels. If these forecasts are true, demand for air travel will require expansion of air traffic services. In an industry that is currently suffering, we must act now to provide the needed assistance and vision where we are currently lacking.

This is precisely why I introduced along with Senator Hollings, S. 788, the Second Century of Flight Act. The purpose of this bill is to ensure that the United States continues to lead the world in aeronautics and aviation safety, technology, and efficiency. Additionally, this bill aims to create a better trained U.S. aerospace workforce, through support for technical colleges and other educational institutions. And of particular importance, this bill would facilitate the coordination of U.S. research efforts, and increase focus on directing government research towards usable products that enhance safety, are environmentally sound, and increase efficiency.

I am pleased that my Colleagues on the Commerce Committee agreed to three of the four titles of S. 788, in the FAA Reauthorization bill we passed out of the Committee. These titles include provisions that create a national office to coordinate aviation and aerospace research activities with the U.S. Government and encourages public-private cooperation; create a national office to focus on a next generation air traffic management system; and establishes educational incentives to train the next generation of aeronautics engineers and mechanics.

Mr. Secretary, I am sure you are aware of the importance of these issues, not only in Kansas, but across the United States. I would like you to comment on your commitment to these issues and specifically, your support of the initiatives in S. 788.

Answer. The Department of Transportation (DOT) is very aware of the importance of the issues you raise and have actively initiated efforts to better support the U.S. position in aerospace research and development. DOT has formed a Joint Planning Office (JPO) comprised of the Federal Aviation Administration (FAA), Department of Defense, Transportation Security Administration, Department of Commerce, and National Aeronautics and Space Administration to focus on development of our next generation air traffic management system. The FAA leads the team. We are also establishing a high-level policy committee to guide this effort that will be chaired by the Secretary of Transportation. The Secretary will establish the Policy Committee in the summer of 2003. The next steps are to establish advisory committees for this activity, to coordinate a framework for the initiative through the five participating agencies and departments, and begin drafting the national plan.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

COMPETITIVE SOURCING

Question. Last year, the Federal Aviation Administration announced that it is considering plans to privatize up to 2,700 air traffic control jobs at 58 of FAA's 61 Automated Flight Service Stations (AFSS) around the country. These jobs are critical to the safety of the traveling public, and I believe that the Department of Transportation should be more careful about handing these important functions over to the private sector. This country learned a valuable lesson about entrusting public safety responsibilities to private companies when we discovered security failures at our airports, which required Congress to place those responsibilities in the hands of the Transportation Security Administration. Apparently, the Department has not learned anything from this experience.

I am concerned that the FAA is acting under pressure from the White House to implement the President's competitive sourcing initiative. OMB scores agencies on how well they comply with the President's Management Agenda. Agencies are encouraged to submit management plans to the OMB, which incorporate the competitive sourcing quotas outlined in the President's budget.

It is my understanding that these competitive sourcing plans, once they are submitted to the OMB for approval, can be released to the public at the discretion of the agency heads. If the Congress is to appropriate substantial funding for private sector employment opportunities, I expect that you will first provide Congress, and in particular this Committee, with a copy of any management plans or competitive sourcing proposal that the Department of Transportation submits to the OMB. When do you expect to submit a competitive sourcing plan to OMB, and how soon can you make that plan available to this Committee?

Answer. FAA prepared a competitive sourcing plan for Automated Flight Service Stations that was submitted to the Department of Transportation on June 19, 2002.

As a result of recent changes to OMB Circular A–76 and the President's Management Agenda, FAA is in the process of updating the plan again. The agency will provide the Committee a copy of the revised FAA competitive sourcing plan when it is complete.

Question. How can you explain to the American people the willingness of the FAA to take flight safety out of the hands of dedicated public servants and put hand it over to private companies that are only dedicated to maximizing profits?

Answer. Automated Flight Service Stations (AFSS) do not engage in the separation of aircraft. Their duties primarily support the general aviation community by providing weather briefings, processing flight plans, assisting lost pilots, and initiating search and rescue operations. These functions are performed at separate facilities throughout the United States and Puerto Rico. (The three AFSS in Alaska have been excluded from the study.) Each year the FAA spends over $500 million to support this function. Since the competitive sourcing study of the AFSS is a public/private competition, not a privatization, the existing government employees will have a chance to compete for and win their work. So it will not automatically go to the private sector. Whoever wins the competition, public or private, will be accountable for their performance through performance metrics and incentives. FAA believes that it is possible to pursue ways of decreasing costs while improving service through the use of OMB Circular A–76.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

FISCAL YEAR 2004 FUNDING REQUEST FOR AMTRAK

Question. Why did the Administration only include $900 million for Amtrak in the fiscal year 2004 budget when this level of funding will send the company into insolvency?

Answer. The fiscal year 2004 request was a request with a message. That message is that the Administration is unwilling to support ever-increasing levels of appropriations for the current, broken business model of providing intercity passenger rail service in this country. Until the changes to intercity passenger rail service are developed and agreed upon as part of the authorization process, the Administration is not willing to discuss funding intercity passenger rail service at a level above $900 million.

THE ADMINISTRATION'S VISION FOR INTERCITY PASSENGER RAIL

Question. The Bush Administration's vision for our Nation's intercity passenger rail system would separate the train operations from the infrastructure management on the northeast corridor. The United Kingdom failed when it tried this model. Can you give me specifics as to how your model for the northeast corridor differs from the failed British model?

Answer. The Administration has carefully observed the rail privatization initiative in the United Kingdom and believes that the strategy for intercity passenger rail reform in this country will reflect the lessons that can be learned from the United Kingdom's experience. The primary lesson is that the Administration's plan will avoid the conflict between infrastructure owner and train operator inherent in the U.K. model. The public will continue to own the infrastructure with a strong say in how it is maintained and operated. The same public entity, a compact of the Northeast Corridor States, will also determine who operates over this infrastructure.

Question. In your vision for Amtrak's reauthorization, you call for private operators to run Amtrak's long distance routes. Can you name for me a company that is willing to operate one of these routes without subsidy? Do you think the freights will agree to allow multiple private operators to run passenger trains on their tracks?

Answer. The Department's proposal does not envision private sector companies volunteering to operate intercity trains at a loss. The States would put together the financial package for each train they believe is important enough to warrant the State's support. To the extent such a train would not cover its operating expenses from the fare box, then it would be up to the States to identify the source or sources of operating assistance. With further regard to private operators, the Department does not envision multiple operators on the same rail route except in very close proximity to stations and terminals where routes come together.

Question. Do you think the States have the money to pay for the operating costs to run the long distance trains as the Administration is suggesting in its plan? Considering that the Federal Government created the long distance routes and that

these routes run through multiple States, why should these costs be shifted to the States? The Federal Government created the Federal highway system which runs through multiple States, yet you are not asking for the States to cover the operating costs for those highways.

Answer. The Administration is well aware of the financial challenges facing the States. For that reason, the Administration's proposal envisions a reasonable transition time to permit the States to identify which services are important to them and sources of funds to provide needed financial assistance. The expectation that the Federal Government does not provide operating assistance is consistent with the Federal role in highways and transit; States and localities assume responsibility for operating costs for these forms of transportation.

SMALL COMMUNITY AIR SERVICE

Question. Is the Department working with small communities to help attract and retain passenger air service? In what ways? This becomes more urgent as carriers terminate service to smaller communities due to the financial crisis in the airline/aviation industry.

Answer. The Department recognizes that small communities have been affected by the financial crisis in the airline industry. The Department has two programs specifically designed to help small communities with their air services. First, under the Essential Air Service (EAS) program, over 700 communities are guaranteed to receive at least a minimum level of air service. Of those, the Department currently subsidizes carriers to serve 135 communities nationwide, 33 of which are in Alaska. Since September 11, 2001, the Department has received over 50 notices from carriers to terminate the last service at the community, most of them triggering a first-time EAS subsidy. The Department has ensured that these communities continue to receive air service as we seek replacement carriers.

Second, the Department administers the Small Community Air Service Development Pilot Program. This program was established under the AIR–21 legislation and is a new program designed to help small communities address problems related to inadequate air service and high airfares. Under the legislation, the Department may make grant awards to a maximum of 40 communities each year, although no more than 4 may be from any one State. This program is unique in that it provides communities the flexibility to design their own solutions to their air service problems and to seek Federal financial support to help them implement their plans.

For fiscal year 2002, the first year that funds were available, Congress appropriated $20 million for this program. The program was very popular in fiscal year 2002 with the Department receiving 180 applications. Grant awards were made to 40 communities using all of the funds available. Many of these grants have already led to new or improved services at the selected communities, including Fort Smith, Arkansas; Daytona Beach, Florida; Augusta, Georgia; Hailey, Idaho; Lake Charles, Louisiana; Meridian, Mississippi; Taos, New Mexico; Akron/Canton, Ohio; Rapid City, South Dakota; Charleston, West Virginia; and Rhinelander, Wisconsin. In February 2003, Congress appropriated $20 million for this program for fiscal year 2003. The Department solicited proposals from interested communities on April 29. Proposals were due June 30 and are being reviewed.

OVERSEAS REPAIR FACILITIES

Question. The Administrator has been petitioned by the Transportation Trades Department of the AFL–CIO and its member unions for an immediate suspension of repairs performed on U.S. aircraft at overseas maintenance facilities. The petition cites potential threats to safety and security as well as lax government oversight. Do you have plans to either suspend these repairs or more fully study this issue in the near future? Would you support Federal legislation?

Answer. The Federal Aviation Administration (FAA) agrees that our national security posture was dramatically altered from the tragic events of September 11, 2001. All transportation agencies collectively identified ways to improve their security plans and immediately set about incorporating changes necessary to strengthen those deficient areas. The Transportation Security Administration (TSA) is beginning to study security requirements for both foreign and domestic repair stations. The FAA will support and work with the Homeland Security Department's TSA in this area.

There are no plans to revoke any foreign repair station certificates. The AFL–CIO requested that FAA revoke foreign repair station certificates. This would greatly reduce the availability of certified repair stations and severely affect the aviation industry. Under the proposed AFL-CIO scenario the only option for air carriers, both foreign and domestic, operating U.S. registered aircraft would be to have mainte-

nance performed in the United States by domestic repair stations. This would set up a chain of events that would create scheduling difficulties and reduce the number of revenue-producing flights.

The FAA would not support additional Federal legislation in these areas. The FAA currently has the authority to perform surveillance, oversight, and enforcements as appropriate on foreign repair stations.

SUBCOMMITTEE RECESS

Senator SHELBY. We wish you the best of health and we will recess the subcommittee to the call of the Chair.

Secretary MINETA. Thank you very much, Mr. Chairman.

Senator SHELBY. Thank you.

[Whereupon, at 11:37 a.m., Thursday, May 8, the subcommittee was recessed, to reconvene subject to the call of the Chair.]